

COUNCIL CHAMBERS

17555 PEAK AVENUE MORGAN HILL CALIFORNIA 95037

COUNCIL MEMBERS

Dennis Kennedy, Mayor Greg Sellers, Mayor Pro Tempore Larry Carr, Council Member Hedy Chang, Council Member Steve Tate, Council Member

REDEVELOPMENT AGENCY

Dennis Kennedy, Chair Greg Sellers, Vice-Chair Larry Carr, Agency Member Hedy Chang, Agency Member Steve Tate, Agency Member

WEDNESDAY, SEPTEMBER 15, 2004

AGENDA

JOINT MEETING

CITY COUNCIL SPECIAL AND REGULAR MEETING

and

REDEVELOPMENT AGENCY SPECIAL MEETING

6:00 P.M.

A Special Meeting of the City Council and Redevelopment Agency is Called at 6:00 P.M. for the Purpose of Conducting Closed Sessions.

Dennis Kennedy, Mayor/Chairman

CALL TO ORDER

(Mayor/Chairperson Kennedy)

ROLL CALL ATTENDANCE

(City Clerk/Agency Secretary Torrez)

DECLARATION OF POSTING OF AGENDA

Per Government Code 54954.2

(City Clerk/Agency Secretary Torrez)

City of Morgan Hill Special & Regular City Council and Special Redevelopment Agency Meeting September 15, 2004 Page - 2 -

6:00 P.M.

City Council Action and Redevelopment Agency Action

CLOSED SESSION:

1.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Authority: Government Code Sections 54956.9(b) & (c)

Number of Potential Cases: 4

2.

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Authority Government Code 54957

Public Employee Performance Evaluation: City Manager Attendees: City Council

3.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:

Authority: Pursuant to Government Code 54956.9(a)

Case Name: General Lighting Service, Inc. v. City of Morgan Hill

Case Number: Santa Clara County Superior Court, Case No. 1-04-CV-025561

4.

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Legal Authority Government Code 54957

Public Employee Performance Evaluation: City Attorney

Attendees: City Council, City Attorney

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

RECONVENE

CLOSED SESSION ANNOUNCEMENT

7:00 P.M.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

RECOGNITION

Water Hero Recognition Mayor Kennedy City of Morgan Hill Special & Regular City Council and Special Redevelopment Agency Meeting September 15, 2004 Page -3 -

PROCLAMATION

Constitution Week
Daughters of the American Revolution
Nathalie Averett

CITY COUNCIL REPORT

Mayor Pro Tempore Sellers

CITY COUNCIL SUB-COMMITTEE REPORTS

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PUBLIC COMMENT

NOW IS THE TIME FOR COMMENTS FROM THE PUBLIC REGARDING ITEMS NOT ON THIS AGENDA.

(See notice attached to the end of this agenda.)

PUBLIC COMMENTS ON ITEMS APPEARING ON THIS AGENDA WILL BE TAKEN AT THE TIME THE ITEM IS ADDRESSED BY THE COUNCIL. PLEASE COMPLETE A SPEAKER CARD AND PRESENT IT TO THE CITY CLERK.

(See notice attached to the end of this agenda.)

PLEASE SUBMIT WRITTEN CORRESPONDENCE TO THE CITY CLERK/AGENCY SECRETARY. THE CITY CLERK/AGENCY SECRETARY WILL FORWARD CORRESPONDENCE TO THE CITY COUNCIL/REDEVELOPMENT AGENCY.

City Council Action

CONSENT CALENDAR:

ITEMS 1-13

The Consent Calendar may be acted upon with one motion, a second and the vote, by each respective Agency. The Consent Calendar items are of a routine or generally uncontested nature and may be acted upon with one motion. Pursuant to Section 5.1 of the City Council Rules of Conduct, any member of the Council or public may request to have an item pulled from the Consent Calendar to be acted upon individually.

Time Estimate Page

Consent Calendar: 1 - 10 Minutes

1. AGREEMENT WITH THE LAW FIRM OF HATCH & PARENT

Recommended Action(s): Authorize the City Manager to Execute an Agreement with the Law Firm of Hatch & Parent.

2. <u>INFORMATION TECHNOLOGY SERVICES CONTRACT</u>.....

Recommended Action(s): Authorize the City Manager to Execute the Agreement, Subject to Review and Approval by the City Attorney.

City of Morgan Hill Special & Regular City Council and Special Redevelopment Agency Meeting September 15, 2004 Page -4 -

CONSENT CALENDAR:

Time Estimate Page

Consent Calendar: 1 - 10 Minutes

3. AMENDMENT TO AGREEMENT WITH SANTA CLARA VALLEY WATER DISTRICT REGARDING THE OPERATION OF THE TENNANT WELL PERCHLORATE REMOVAL SYSTEM

Recommended Action(s): Authorize the City Manager to Execute an Amendment to the Existing Agreement with Santa Clara Valley Water District for the Operation of Tennant Well, Subject to Review and Approval by the City Attorney.

4. <u>APPROVAL OF IMPROVEMENT AGREEMENT FOR 18585 MONTEREY ROAD – GATEWAY</u> CENTER, PHASE 2 (APN: 764-10-009)

Recommended Action(s):

- 1. Approve the Improvement Agreement with South Valley Developers, Inc. and
- 2. **Authorize** the City Manager to Sign the Agreement on Behalf of the City.
- 5. <u>ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR TRACT 8791, DEL MONTE ESTATES</u>

Recommended Action(s):

- 1. <u>Adopt</u> Resolution Accepting the Subdivision Improvements Included in Tract 8791, Commonly Known as Del Monte Estates; and
- 2. <u>Direct</u> the City Clerk to File a Notice of Completion with the County Recorder's Office.
- 6. <u>ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR QUAIL CREEK PHASE I (TRACT 9427)</u>

Recommended Action(s):

- 1. <u>Adopt</u> Resolution Accepting the Subdivision Improvements Included in Tract 9427, Commonly Known as Quail Creek, Phase I; and
- 2. <u>Direct</u> the City Clerk to File a Notice of Completion with the County Recorder's Office.
- 7. FINAL MAP APPROVAL FOR QUAIL CREEK, PHASE III (TRACT 9561).....

Recommended Action(s):

- 1. <u>Approve</u> the Final Map, Subdivision Agreement, and Improvement Plans;
- Authorize the City Manager to Sign the Subdivision Improvement Agreement on Behalf of the City; and
- 3. <u>Authorize</u> the Recordation of the Map and the Subdivision Improvement Agreement Following Recordation of the Development Improvement Agreement.
- 8. <u>APPROVAL OF AMENDED IMPROVEMENT AGREEMENT FOR 1295 EAST DUNNE AVENUE (APN 728-17-023)</u>

Recommended Action(s):

- 1. Approve the Amended Improvement Agreement with Mr. and Mrs. Waiyan and Tsai-pi Ho; and
- 2. **Authorize** the City Manager to Sign the Agreement on Behalf of the City.
- 9. RESOLUTION REQUESTING AUTHORIZATION UNDER SECTION 21221(h) OF CALIFORNIA CODE FROM PUBLIC EMPLOYEES RETIREMENT SYSTEM (CalPERS) FOR BRUCE CUMMING TO BE EMPLOYED FOR MORE THAN 960 HOURS IN A ONE-YEAR PERIOD

Recommended Action(s): Approve the Resolution Requesting CalPERS for an Extension for Interim Police Chief Bruce Cumming to be Employed for more than 960 Hours in a One-Year Period.

City of Morgan Hill Special & Regular City Council and Special Redevelopment Agency Meeting September 15, 2004 Page -5 -

CONSENT CALENDAR:

Time Estimate Page

Consent Calendar: 1 - 10 Minutes

10. <u>ADOPT ORDINANCE NO. 1694, NEW SERIES</u>

Recommended Action(s): Waive the Reading, and Adopt Ordinance No. 1694, New Series, and Declare That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1474, N.S., AMENDING THE LIST OF PERMITTED USES FOR DIGITAL ISLAND OF THE MORGAN HILL RANCH BUSINESS PARK TO ALLOW GENERAL OFFICE USES AND UP TO 40,000 SF OF MEDICAL/DENTAL OFFICE USES (APNs 726-25-080 thru -082) (ZA-04-07: DIGITAL – VENTURE PROFESSIONAL CENTER).

- 11. APPROVE SPECIAL CITY COUNCIL MEETING MINUTES FOR AUGUST 11, 2004
- 12. APPROVE SPECIAL CITY COUNCIL MEETING MINUTES FOR SEPTEMBER 1, 2004
- 13. APPOINTMENTS TO THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA)

 VALLEY TRANSPORTATION PLAN DESIGN ENHANCEMENTS (VTP DE) COMMITTEE

 Recommended Action(s):
 - 1. <u>Appoint</u> Planning Commissioner Robert Benich, Architectural Review Board Members James Fruit and Yarmila Kennett to the VTP DE Committee; and
 - 2. <u>Direct</u> the City Clerk's Office to Notify the VTA of the City Council's Appointments to this Committee.

City Council and Redevelopment Agency Action

CONSENT CALENDAR:

ITEM 14

Time Estimate Page

Consent Calendar: 1 - 10 Minutes

14. <u>APPROVE SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT</u>
<u>AGENCY MEETING MINUTES FOR SEPTEMBER 1, 2004</u>

City Council Action

PUBLIC HEARINGS:

Time Estimate Page

15. 3 Minutes STREET NAME CHANGE: SAINT LOUISE DRIVE TO DePAUL DRIVE.....

Public Hearing Opened.

Please Limit Your Remarks to 3 Minutes. Public Hearing Closed

Council Discussion.

Action- Adopt Resolution Approving the Street Name Changes.

City of Morgan Hill Special & Regular City Council and Special Redevelopment Agency Meeting September 15, 2004 Page -- 6 - -

PUBLIC HEARINGS:

Time Estimate Page

16. 20 Minutes GENERAL PLAN AMENDMENT, GPA-04-05; ZONING AMENDMENT, ZA-04-

11: COCHRANE-TBI

Public Hearing Opened.

Please Limit Your Remarks to 3 Minutes. Public Hearing Closed

Council Discussion.

Action- Action- Adopt General Plan Amendment Resolution.

Action- Adopt General Plan Amendment Resolution.

Action- Motion to Waive the Reading in Full of Zoning Amendment Ordinance.

Action- Motion to Introduce Ordinance by Title Only. (Roll Call Vote)

17. 15 Minutes GENERAL PLAN AMENDMENT, GPA-04-03; ZONING AMENDMENT, ZA-04-

09: BUTTERFIELD-SOUTH VALLEY DEVELOPERS

Public Hearing Opened.

Please Limit Your Remarks to 3 Minutes. Public Hearing Closed

Council Discussion.

Action- Action- Adopt General Plan Amendment Resolution.

Action- Adopt General Plan Amendment Resolution.

Action-Action-Action-Motion to Waive the Reading in Full of Zoning Amendment Ordinance. Motion to Introduce Ordinance by Title Only. (Roll Call Vote)

18. 8 Minutes ZONING AMENDMENT APPLICATION, ZA-04-02: COCHRANE-ASSISTED

LIVING CENTER

Public Hearing Opened.

Please Limit Your Remarks to 3 Minutes. Public Hearing Closed

Council Discussion.

Action- Motion to Waive the Reading in Full of Ordinance.

Action- Motion to Introduce Ordinance by Title Only. (Roll Call Vote)

City Council Action

OTHER BUSINESS:

Time Estimate Page

19. 30 Minutes <u>URBAN LIMIT LINE STUDY STATUS REPORT</u>.....

Recommended Action(s):

- 1. **Review** the Status Report; and
- 2. **Provide** Questions and Comments for the Advisory Committee.

FUTURE COUNCIL-INITIATED AGENDA ITEMS:

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

ADJOURNMENT



CITY COUNCIL STAFF REPORT

MEETING DATE: September 15, 2004

TITLE: AGREEMENT WITH THE LAW FIRM OF HATCH & PARENT

Prepared By:
(Title)
Approved By:
(Department Director)
Submitted By:
City Manager

Agenda Item #1

RECOMMENDED ACTIONS:

Authorize the City Manager to execute an Agreement with the law firm of Hatch & Parent.

EXECUTIVE SUMMARY:

On May 21, 2002, the City contracted with the law firm of Hatch & Parent to provide the City with legal services in connection with the perchlorate land and water contamination. The contract for Fiscal Year 2003-2004 has expired. As this matter is ongoing, staff is recommending that Council approve the attached Consultant Agreement for Fiscal Year 2004-2005 in the amount of \$100,000 to cover Hatch & Parent's continuing representation of the City's interests.

FISCAL IMPACT

Funds are budgeted in the water operations budget (650-42230-5710).



CITY COUNCIL STAFF REPORT

MEETING DATE: September 15, 2004

INFORMATION TECHNOLOGY SERVICES CONTRACT

RECOMMENDED ACTION(S): Authorize the City Manager to Execute the Agreement

EXECUTIVE SUMMARY: On June 16th, the City Council authorized City staff to negotiate and execute a final agreement with the City of Palo Alto for information technology management services. The City of Palo Alto was the successful bidder in the request for proposals process that the City's Information Technology Management Committee administered this past spring.

Agenda Item # 2
Prepared By:
Program
Administrator
Approved By:
Public Works Director
Submitted By:
City Manager

Unfortunately, when preparing the June 16th Council Report, staff neglected to detail the multiyear nature of the contract. Like each of the preceding three contracts that the City has entered into for these services during the past decade, the contract with the City of Palo Alto is intended to last for several years. Given the time it takes for a technology services vendor to become familiar with all of the City's operations, staff, and equipment, a multiyear agreement is advisable.

The final proposed contract with the City of Palo Alto is a two-year agreement with the potential for three individual option years. The schedule of payments for this time period is \$140,000 for each of the two base years, \$147,000 for year three, \$154,350 for year four, and \$162,068 for year five. These amounts are substantially less than the City had been paying its past vendor for a similar level of services. In addition to these base amounts, the contract provides for a minimal amount of optional services that the City can obtain from Palo Alto under this agreement. The total contract amount cannot exceed \$800,000 over the five year period.

Staff recommends that the City Manager be authorized to execute the attached agreement.

FISCAL IMPACT: Up to \$150,000 in expenditures from the City will be incurred for the first year of service and a total of up to \$800,000 in expenditures will be incurred over the five year period. The annual amount is currently proposed in the Information Systems Budget in line item 730-42231-2520 on page 282 of the 04/05 Budget. The source of these funds is an internal service user charge allocated to various operating budgets based on the number of computer users within a department.

CITY OF MORGAN HILL

REQUEST FOR PROPOSALS FOR PROFESSIONAL CONSULTING SERVICES TO PROVIDE

INFORMATION TECHNOLOGY MANAGEMENT SERVICES

I GENERAL INFORMATION

The City of Morgan Hill is interested in contracting with an experienced professional information services company to provide the City information technology management services in the area of network analysis and technical support, systems support, computer operations support, PC desktop technical support, software integration support, help desk administration and support, and IT policy and procedure development. The City is open to proposals from integrators that pull together services from different companies with the integrator acting as the prime and single point of contact with the City. The required services and performance conditions are described in the Scope of Work. The City has budgeted a maximum of \$150,000 for these services in the 2004/2005 Fiscal Year.

II BACKGROUND

The City of Morgan Hill is organized according to the Council/Manager model with six departments with approximately 160 full-time employees. The City is a cost conscious provider of outstanding public services to its citizens and local businesses. The City has no full-time staff dedicated to information technology. Information technology leadership at the City is centered on a five-member committee of managers known as the IT Management Committee which is responsible for long-term planning, coordination between departments, and contract oversight. The City's entire "hands-on" IT staffing (Client Help Desk support, Desktop technician support, network administration, system administration, applications development, applications maintenance, data base administration, and specific project development, implementation and support) is outsourced. The firm currently providing these outsourced services is Miller Networks, a local firm in Morgan Hill. They have been providing this service to the City for the past three years. A different vendor serviced the City for the six years prior to Miller's tenure.

The City believes that the open competition for services and products provides the City with the best results for its public dollars. The City is interested in receiving responsive and competitive proposals from experienced and qualified firms to provide Information Technology Management services, specifically in the areas of desktop technician support, network analysis and administration, software support and computer operations. What follows is a description of the technical environment, contractor staffing, qualifications, and performance expectations.

The City is interested in creative, cost-effective and service-oriented proposals for the delivery of the described service. The key to deviating from the services described is cost, stability, and quality of service.

III INSTRUCTIONS TO PROPOSERS

A. Preproposal Meeting

A Preproposal meeting will be held Wednesday, April 21, 2004 at 3:00 pm in the Council Chambers, at the City of Morgan Hill City Hall, 17555 Peak Ave, Morgan Hill, California. All prospective proposers are strongly encouraged to attend.

B. Examination of Proposal Documents

By submitting a proposal, the proposer represents that it has thoroughly examined and become familiar with the services required under this RFP, and that it is capable of delivering quality services to the City.

C. Addenda/Clarifications

Questions or comments regarding this RFP must be put in writing and received by the City no later than 4:00pm, April 29, 2004. Correspondence shall be addressed to Anthony Eulo, Assistant to the City Manager, City of Morgan Hill, 17555 Peak Ave., Morgan Hill, CA 95037 or e-mailed to teulo@morgan-hill.ca.gov. Responses from the City will be communicated in writing to all recipients of this RFP. Inquires received after the data and time stated will not be accepted and will be returned to senders without response.

D. Submission of Proposals

All proposals shall be submitted to:

City of Morgan Hill Office of the City Clerk 17555 Peak Ave. Morgan Hill, CA 95037

Proposals must be delivered no later than 4:00pm on Friday, May 14, 2004.

All proposals received after that time will be returned to the Proposer unopened.

The Proposer shall submit 6 copies of its proposal in a sealed envelope, addressed as noted above, bearing the Proposers name and address and clearly marked

"RFP - INFORMATION TECHNOLOGY MANAGEMENT SERVICES"

E. Withdrawal of Proposals

A Proposer may withdraw its proposal at any time before the expiration of the time for submission of proposals as provided in the RFP by delivering a written request for withdrawal signed by, or on behalf of the Proposer

F. Rights of City of Morgan Hill

This RFP does not commit the City to enter into a Contract, nor does it obligate the City to pay for any costs incurred in preparation and submission of proposals or in anticipation of a contract.

The City reserves the right to

- Make the selection based on its sole discretion.
- Reject any and all proposals without prejudice.
- Issue subsequent Requests for Proposal.
- Postpone opening for its own convenience.
- Remedy technical errors in the Request of Proposal process.
- Approve or disapprove the use of particular sub-contractors.
- Negotiate with any, all, or none of the Proposers.
- Solicit best and final offers from all or some of the Proposers.
- Accept other than the lowest offer.
- Waive informalities and irregularities in the proposal.

G. Contract Type

It is anticipated that the agreement resulting from this solicitation, if awarded will be an Agreement for Services. A sample Agreement for Services is provided (Attachment D).

Proposers shall be prepared to accept the terms and conditions of the Agreement, including Insurance Section 12. If a proposer desires to take exception to the Agreement, proposer shall provide the following information as a section of the Proposal identified as "Exception to the Agreement":

- 1. Proposer shall clearly identify each proposed change to the Agreement, including all relevant Attachments.
- 2. Proposer shall furnish the reasons for as well as specific recommendations for alternative language.

The above factors will be taken into account in evaluating proposals. Proposals that take substantial exceptions to the Agreement may be determined by the City, at its sole discretion, to be unacceptable and no longer considered for award.

H. Collusion

By submitting a proposal, each proposer represents and warrants that its proposal is genuine and not a sham or collusive or made in the interest of or on behalf of any person not named therein; that the proposer has not directly, induced or solicited any other person to submit a sham proposal or any other person to refrain from submitting a proposal; and that the proposer has not in any manner sought collusion to secure any improper advantage over any other person submitting a proposal.

IV CURRENT TECHNICAL ENVIRONMENT

The City has an extensive fiber optic network that connects all of its major facilities (police station, public works building, community center, and aquatics center) with the City Hall complex. At City Hall there is a server room that houses most application servers and the City's central network switches and router.

* TYPICAL HARDWARE

♦ SERVERS

• Approximately 15 servers (the vast majority are Dell)

♦ PCs

- Approximately 170 PC's, primarily Dell, distributed throughout City government sites.
- Roughly one-half of the desktop PC's are running Windows XP or Windows 2000 with the remaining PC's running Windows 98.
- Vast majorities of PCs are attached to City network.
- Plans to upgrade the remaining Windows 98 PC's are being currently budgeted.

♦ OTHER PERIPHERALS

- Variety of networked printer primarily HP LaserJet with several other models and brands with various inkjet and laser printers connected locally.
- While many servers have their own DLT or SDLT backup drives, the City Hall server room houses a Dell 128T Powervault that backs up several servers.
- Several scanners, typically attached locally
- Approximately 10 Palm Pilots cradles are attached to PCs locally
- Several cash registers are attached to PC's locally throughout the City
- Approximately 10 MDC's in Police the patrol vehicles.
- Several large copiers throughout the City have network connectivity
- The Recreation Division will install (in May 2004) seven touchscreen point of sale stations at the new Aquatic Center

* TYPICAL SOFTWARE

♦ SERVER

• Vast majority of the servers are running Windows 2000, two application servers run Netware, two servers run Unix.

♦ DESKTOP

- Typical standard software installed on computers throughout city include:
 - Microsoft Office 2000 or XP (Word, Excel, PowerPoint);
 - Microsoft Internet Explorer;
 - Adobe Acrobat Reader:
 - McAfee VirusScan;
 - Novell GroupWise 6 client;
 - Intellisync (for Palm synchronization);
- There is a variety of other specialized packaged software that is installed on many Client desktops. The products that will be supported are listed on Attachment A.

• The City intends to move many, if not all, of the PC's running Windows 98 to Windows XP in the next fiscal year (FY04-05). Currently this is happening on a flow basis as new PCs are ordered with Windows XP. The City intends to purchase many replacement PCs in the summer of 2004 as an efficient way to migrate up from Windows 98 to Windows XP. There will be some machines currently running Windows 98, however, that will not be replaced and will need to be upgraded to Windows XP. Migration and support resources for these changes must be included in the contractor's proposal.

♦ HELP DESK SOFTWARE

The City does not currently have any help desk software installed on its network.
If a proposer believes it is more cost-effective to use help desk software to
provide computer support, the costs for this software should be included in their
proposal.

* NETWORK CONFIGURATION

♦ NETWORK HARDWARE

- The City's network connects all of its <u>staffed</u> facility locations (both remote locations and City Hall closets) together in a star configuration with 1Gb multi-mode and single-mode fiber. The hub of the star is at City Hall.
- Most of the switches used in the City's network are 3Com 3900 or 3300 with appropriate LX or SX modules.
- Most of the servers are connected to a switch via a fiber backbone that is centered on a 3 Com 4900 SX switch.
- Most desktops are wired directly to the switches via CAT5 wiring.
- Network security is provided by a Cisco 2600 router.
- The City currently gets its employee Internet access via a single DSL connection. The City is currently evaluating changes to this connection. A second DSL connection, that is not connected to the City's network, provides public access at the Community Center. A Wi-Fi hotspot, also not connected to the City's network, is being constructed at the Aquatics Center.

V IMMEDIATE FUTURE PLANS

Like many businesses and governmental agencies in the Silicon Valley, the City has experienced a decline in revenues during the past several years which has diminished the City's ability to invest in IT resources. Nonetheless, most of the City's servers are not yet due to be replaced and there is a substantial number of PC's that are less than three years old.

The City recognizes that its IT infrastructure needs to be kept up-to-date in order to maintain a reliable and efficient work environment. To this end, the City is budgeting for the upgrades previously mentioned and also intends to improve its network security and archiving software in the coming year.

VI SCOPE OF SERVICES

***** CITY TO PROVIDE

- ◆ The City will provide on-site secure office space, utilities, normal office furniture and standard networked computer and printing equipment.
- ◆ The City will provide training in regard to the City's office, procurement, policies, and behavior standards.
- ♦ The City will provide budget for spare equipment repair and replacement resources in excess of \$2,500 per year. The Contractor is responsible for the first \$2,500 in replacement equipment costs. The Contractor is NOT responsible for these costs above \$2,500 unless they are responsible for the damage do to negligence or incompetence.

SERVICE LEVEL DEFINITIONS

The SCHEDULE OF SERVICES presented next is a detailed list of the specific types of services that Contractor will provide. Each service type has a service level that defines Contractor's role and responsibilities. Below are the five service levels and their associated service narratives

Service Level (SL) Service Level Narrative

1 Full solution ownership, Problem escalation to vendors,

This is the typical expected Contractor service level, applied to requests activities the Contractor will handle. Contractor responsibility for this service level extends to whatever actions are required to meet the specific service objectives on a complete and timely basis including escalation to outside vendors if necessary, at contractor's cost.

2 Problem diagnosis, available solution implementation.

Contractor will examine, work with manufacturer, and diagnose the problem symptoms identified in the service request. Where the Contractor's staff experience suggests a probable cause and/or an appropriate solution is known, this solution will be implemented. Contractor's may coordinate and drive the resolution however the work is "best efforts." There is no assurance that the problem will be resolved. If not resolved within a reasonable timeframe, the problem will be escalated to the City's Contract Manager for follow-up and resolution.

3 Assessment, service recommendation only

Contractor will examine and diagnose the problem symptoms identified in the service request and advise the requestor and/or the City Network Manager of any issues identified as well as available courses of action. Contractor responsibility will not extend to solution implementation.

4 Service can be provided for additional fee.

Contractor will examine the problem symptoms identified in the service request and report a possible "out of scope" situation to the City's Network Manager. If mutually determined by the City and Contractor that work is out of agreement scope, the work will not be done except by separate agreement and for additional fee. Scope could be revised in the future as City needs dictate.

5

No service will be provided.

Contractor will not become involved in this type of service request.

❖ SCHEDULE OF SERVICES to be Provided

TYPE OF SERVICE	SL	SERVICE LEVEL NARRATIVE
1. Desktop & Server Services	•	
		vers that meet the City's hardware software standards Cs with standard and first, second, and third generation hardware
Hardware Problem Diagnosis	1	Full support. Assessment and Problem diagnosis will be done on all standard PCs and supported desktop software
Hardware Component Upgrade/Replacement	1	Full support. Problem diagnosis, available solution implementation. Component replacement inventory will be provided by the City based on recommended inventory to be proposed by Contractor
Hardware Tuning	1	Full support. Problem diagnosis, available solution implementation. Only when hardware disassembly is not required
Hardware Installation and relocation	1	Full support. Complete vendor ownership. Implementation schedule to be proposed and jointly agreed upon by Contractor & City
Standard Software		
Software Diagnosis/Problem Solving	1	Full Support with problem escalation to vendors on products listed in See RFP Section IV – Typical Desktop & Server Software
Software Installation & upgrades	1	Full Support. Problem escalation to vendors, full solution ownership on Standard Software
Software Tuning/Repair	1	Full support with problem escalation to vendors.
Other Non-Standard Software		
Software Diagnosis/Problem Solving	2	Best efforts only. Will coordinate and lead resolution on a time available basis. Examples: Front Page, Access, WordPerfect
Software Installation and Integration	2	Best efforts only. Will coordinate and lead resolution on a time available basis.
Software Tuning/Repair	2	Best efforts only. Will coordinate and lead resolution on a time available basis
Modem & Remote Access Support	1 2	Remote Server: Problem escalation to vendors, full solution ownership Full remote client support is limited to City standard equipment and software installed on City's PC's at City locations. Vendor shall provide city-owned client software to employees upon request for the employee's own installation and shall provide instruction but shall not be required to touch the employee's machine.
PC & Server H/W & S/W Implementation Projects (For non- standard PCs or non-standard PC software)	3	Best efforts only. Will coordinate and lead resolution on a time available basis. Implementation schedule to be proposed and jointly agreed upon by Contractor & City
2. Network Services		
Network Hardware Problem Diagnosis	1	Full Support. Problem diagnosis and problem escalation to vendors.
New Standard Network Hardware Installation	1	Full support. Complete vendor ownership. Implementation schedule to be proposed and jointly agreed upon by Contractor & City
Network Hardware Relocations	1	Problem escalation to vendors, full solution ownership
Network Security Log Reviews	1	Review logs on all security device and produce exception and/or alert reports to Network Manager
Network Hardware Tuning	1	Problem escalation to vendors, full solution ownership
Specified Network Software	1	Problem escalation to vendors, full solution ownership
Other Network Software	2	Best efforts only. Will work with specialized outside software vendors to install updates and troubleshoot network issues in cooperation with them.
Cabling Maintenance & Installation	4	Service can be provided for additional fee

TYPE OF SERVICE	SL	SERVICE LEVEL NARRATIVE
Switches & Hubs Problem Diagnosis/Identification	1	Problem diagnosis, available solution implementation
Email Post Office Administration	1	Full Support. Problem escalation to vendors, full solution ownership. Will maintain main P.O. name & address directories
Email Server Administration (on-site)	1	Full Support. Problem escalation to vendors, full solution ownership. Main Post Office, associated local message server
Administration of Internet Servers & Gateways	1	Full Support. Problem escalation to vendors, full solution ownership Limited to specific Servers (existing & planned)
Administration of Intranet Servers & Gateways	1	Full Support. Problem escalation to vendors, full solution ownership
File Server Administration	1	Full Support. Problem escalation to vendors, full solution ownership
Router & Firewall Administration	1	Full Support. Problem escalation to vendors, full solution ownership. Table maintenance and policy enforcement
Network Related Technical Consulting Services	1	Full Support. Problem escalation to vendors, full solution ownership. Advise, recommendations, quantification of alternatives
Network Related Implementation Projects	4	Service can be provided for additional fee
3. Computer Operations		
Production Computer Operations	1	Full Support. Develop and maintain all computer operations documentation for all system production job, execution, backup, back up rotation, restore, check point restarts, report distribution, and maintain complete job/event/operations production logs. On scheduled basis execute all necessary programs, backups, restored, report preparation, restart and typical in computer room operations tasks. Will cooperate fully with all Applications Development and Maintenance personnel to provide seamless Client views of development, maintenance and production operations activities
Data Management (backup, offsite storage)	1	Full Support. Problem escalation to vendors, full solution ownership Service applies to all servers managed
Database Operations (monitor and report on DBMS operations)	4	Service can be provided for additional fee
Security Management all aspects of system security (passwords, Firewall support, Internet intrusions, etc)	1	Full Support. Problem escalation to vendors, full solution ownership Internet presence, Windows NT, Mail Services, Critical Applications
Network Capacity Planning	1	Full Support. Problem escalation to vendors, full solution ownership Will provide input needed for City budgeting
4. Server Hardware Repair,	1	Full support. Assessment and Problem diagnosis will be done on the covered
Preventive Maintenance,		servers and server software.
Cleaning		
5. Helpdesk Telephone Support	?	Provided if the vendor believes it will be cost-effective to do so.
6. Helpdesk Automated System	?	Provided if the vendor believes it will be cost-effective to do so.
	4	Training services, beyond simple tips, can be made available for an
7. Client Training (Software & Applications	· 	additional fee.
8. New Information Systems	1, 4, 5	Full support depending on the application. Vendor will install and obtain network connectivity for all new server hardware and operating system software. Vendor can be asked to directly support additional software systems for an additional fee.
9. Asset Management	1	Full support. Provide to the City periodic asset tracking of all hardware and software. Assist the city with management of assets.

❖ MINIMUM PERFORMANCE EXPECTATIONS

Contractor - General

Contractor is expected:

- To provide timely, professional and effective services, work harmoniously with City staff and other contractors, conduct regular status and information meetings, provide regular and timely reports on outstanding issues, work accomplished, and general network health, and make recommendations on improving City processes.
- To conduct an annual Service Satisfaction Survey in addition to the individual event survey specified below in "Desktop Support" performance survey
- To provide enforcement of all City policies relating to the use of information technology resources.

<u>Desktop Support</u> – Desktop Support Technicians are expected to resolve Client/caller generated trouble calls in a professional and efficient manner. Additionally they will work on special project/task assignments as necessary: to setup and configure new PCs, to maintain current version levels of desktop software, to install, upgrade or troubleshoot software, to conduct hardware and software inventories, to do minor hardware installations and modifications on existing PCs, and other related tasks.

- Desktop Support Technicians will provide desktop support for all problems and project calls to diagnose, upgrade, install, fix, adjustment, and general problem resolution during the hours of 8:00am to 5:00pm Monday through Friday.
- Desktop Support Technicians will respond (call acknowledging assignment of call) to Client/caller, resolution/diagnosis according to prioritization.
- Desktop Support Technician will make appointment with Client/caller to be scheduled during an AM or PM (4 hour) window.
- Desktop Support Technician will call Client/Caller if appointment cannot be kept or will be delayed.
- Client/Caller will be apprised of problem status during the entire problem resolution cycle in a timely manner, by the end of the activity service day.
- Desktop Support Technicians will give Client opportunity to test system while they are present once problem resolved if at all possible. For long-term problems, Client to be notified weekly of progress until resolved/closed.
- Desktop Support Technicians, upon any visit, will always give Client a problem resolution sheet, approved by the City, with: reported problem, time/date of report, prioritization, time/date of acknowledgement, time/date of appointment, time/date of resolution, and performance survey indicating if:
 - response was timely within published specifications,
 - was problem satisfactorily resolved,
 - was Client aware of status of issue during the entire process
 - did technician allow Client to test system to insure system is operational,
 - overall ranking of service: 1 (unacceptable), 2 (poor), 3 (adequate), 4 (good), 5 (excellent).
 - One copy of resolution sheet to be kept by technician to document problem resolution and entered into a tracking system

- Other copy with survey information to be completed by Client to acknowledge resolution and to provide survey information.
- Client requested to send Survey to IT Committee for tracking.
- Desktop Support Technicians will document all actions taken on each call into the tracking system before they leave for the day on the day that the activity took place whether the call is complete or not.
- For issues resolved over the phone involving more than minimal effort (for example, resetting a password would be considered "minimal" effort; walking Client through steps to make a configuration change would be considered "more than minimal" effort), Client is to receive problem resolution sheet to fill out at their convenience.
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- Execution of scheduled batch runs and processes
- Review of all process logs for normal execution and performance
- Preparation of reports and outputs for distribution on next regular work day
- Review of security logs and for unusual activity
- Perform backups, backup rotations and restores of all systems, servers, network equipment
- Maintenance (filing, organizing, storing, status reporting) on all operation and network activity records and reports
- Organize, prepare, record and track off-site and on-site storage of backups.
- Monitor and report status of servers (disk allocations, etc)
- Monitor and report on status of network
- Log activity event entries into Operations Activity Log
- Clean and organize Computer Room
- Check on versions of software that require updates
- Maintain process and operational documentation for Operations and Network Groups
- Maintain inventory of supplies
- Keep and maintain records on hardware assets: PCs, Servers, Network equipment, etc. (Asset tag, location, serial number, models, speed, disk (available and used), OS version, Acquisition date, Warranty date, maintenance agreement location, maintenance and repair contact number
- Keep and maintain records on software assets: PCs, Servers, Databases, Applications, OS, etc
- Prepare and maintain a Disruption Plan

<u>Network and Systems Support</u> - The Network and Systems Support function is expected to provide all the necessary network and system technical expertise to the City to have its systems and network operate efficiently and effectively. Network and Systems staff hours are normally 8:00am to 5:00pm Monday through Friday, however they are expected to work after hours and weekends to resolve problems, do updates and perform testing so as not to impact normal production activities of the City. The Network and Systems Support activities are expected to the standard activities for a similar sized City IT operation. They are generally described as follows:

- Network is defined to include all City switches, hubs, routers, bridges, repeaters, firewalls, servers
- Maintenance and installation of network cabling outside of the computer room is <u>NOT</u> part of this proposal
- Network and network device performance monitoring, diagnostics, and tuning
- Network and network device configuration and version updates to keep within 2 versions of current
- Network and network device configuration management and record keeping
- Network, network device and server capacity monitoring and planning
- Network, network device and systems security administration and record keeping consistent with City policies
- Firewall monitoring for intrusion attempts, attacks, viruses, etc.
- Firewall configuration and version updates
- Server OS configuration and version updates to keep within 2 versions of current
- Network intrusion and Virus software management (keeping current updates and versions)
- Coordination and cooperation with other City service providers

Communication and Analysis – The contractor is expected to have an effective communication rapport with the City, providing valuable, accurate information in a timely manner. Proficient writing skills are essential, and contractor's analysis should be thorough.

VII PERFORMANCE & STAFFING INCENTIVES

A Quality of Work Incentive

Upon completion of all Help Desk trouble ticket desktop <u>visits</u> and/or Trouble <u>calls</u> Client will be encouraged to fill out a response effectiveness survey and return to City staff (a return rate of 40% is considered acceptable). On a monthly basis, a summary of problem resolution sheets will be prepared and reviewed by City staff and service provider management. Monthly contract payments will be adjusted to provide for a service delivery incentive based on the following scale:

- 5 = Excellent/Outstanding Service
- 4 = Good Service
- 3 = Adequate Service
- 2 = Poor Service
- 1= Unacceptable Service

- If the monthly service rating of all closed calls during the invoiced service month is above 3.0 and less than 4.50 the invoice for base monthly services will be paid at contract price levels.
- If the monthly service rating of all closed calls during the invoiced service month is 4.50 or above, a 5% performance bonus will be added to the invoice for base monthly services
- If the monthly service rating of all closed calls during the invoiced service month is below 3.0, there will be a 5% deduction from the base monthly services invoiced.
- If the monthly service rating of all closed calls during the invoiced service is below 2.50 for 3 months or more in any 6-month period, this will be grounds for termination of the contract.
- Individual survey nonresponses will be given a weight of 3.00 for averaging purposes.

VIII PROPOSED TERM OF CONTRACT

The proposed term of the contract is slightly over two years, June 21, 2004 to June 30, 2006 with options for 3 one year extensions.

IX SCHEDULE FOR SELECTION & IMPLEMENTATION

RFP Mailed to Potential Proposers	April 12
Preproposal Meeting	April 21
Written Question/Clarifications Submittal Deadline	April 29
Questions/Clarifications Responses Mailed	May 3
Proposals Due	May 14
Meeting with Finalists	May 24-27
Selection Completed	May 28
Agreement Presented to Council for Review & Approval	June 2
New Agreement takes effect	June 21

X PROPOSER QUALIFICATIONS

- The City requires proposals submitted by prime proposers only. The prime proposer will have complete and exclusive responsibly for satisfying all City conditions and requirements at all times during the life of the agreement. Any subcontractors mentioned in the RFP and/or used on the engagement will have no formal relationship with the City.
- ❖ All proposed subcontractors must be identified by name with a description of the work they will provide. Any subcontractors change proposed after submittal date can only be made with the approval of the City.
- ❖ Prime proposer must be responsible for at least half the annual value of the proposed work. To be demonstrated in the proposal.
- ❖ Prime proposer must have experience in providing similar work in at least 2 similar organizations.
- Close cooperation and productive working relationships between all parties are essential to the City. If there are unresolvable difficulties in the relationships between parties that impact service delivery to the City, either or both parties' contract will be terminated.

XI METHOD OF SELECTION and NOTICES

- The criteria used for evaluation will be the Proposal's:
 - Completeness and Comprehensiveness
 - Responsiveness to City's issues
 - Potential to benefit the City
 - Innovative approach
 - Cost effectiveness
 - Quality of proposed staff
- ❖ A broad Citywide Review team will be used to evaluate the proposals. The selection will be made by the City Managers Office based on the recommendation of the Information Technology Committee, then presented to the City Council for actual adoption and agreement execution. The individual or composite rating and/or evaluation forms prepared by the Board members will not be revealed.
- ❖ A sample standard City contract is attached (Attachment B) for review

❖ INFORMATION TO BE SUBMITTED

- Proposers must submit 6 complete copies of their proposal
- ♦ The proposal is limited to 75 pages of directly pertinent material, originally produced for this proposal. Items not specifically and explicitly related to the RFP and proposal are not included in the limit, e.g., brochures, marketing material, etc. This extra material will not be considered in the evaluation.
- ♦ Include a Chapter 1 with a *Proposal Summary*

This Chapter shall discuss the highlights, key features, and distinguishing points of the Proposal. A separate sheet shall include all the contact people on the Proposal and how to communicate with them. Limit this Chapter a total of to 3 pages including the separate sheet.

• Include a Chapter 2 on *Profile of the Proposing Firm(s)*

This Chapter shall include a brief description of the Prime Proposer's firm size as well as the proposed local organization structure. Specifically the City is interested in the potential for a long-term service relationship that would include financial stability. Include a discussion on the Prime Proposer firm's financial stability, capacity, and resources. Include all other firms participating in this Proposal, including similar information about the firms.

Additionally, this section shall include a listing of any lawsuit or litigation and the result of that action resulting from (a) any public project undertaken by the Proposer or by its subcontractors where litigation is still pending or has occurred within the last five years or (b) any type of project where claims or settlements were paid by the consultant or its insurers within the last five years.

• Include a Chapter 3 on *Qualifications of the Firm*:

This Chapter shall include a brief description of the Proposer's and sub-proposer's qualifications and previous experience on similar or related projects. Provide a

description of pertinent project experience with other public municipalities (max of 4) and private sector (max of 2) that includes a summary of the work performed, the total project cost, the percentage of work the firm was responsible for, the period over which the work was completed, and the name, title, and phone number of clients to be contacted for references. Give a brief statement of the firm's adherence to the schedule and budget for each project.

♦ Include a Chapter 5 on *Work Plan*:

In this Chapter present a well-conceived service plan. This section of the proposal shall establish the Proposer understands of City's objectives and work requirements and Proposer's ability to satisfy those objectives and requirements. Succinctly describe the proposed approach for addressing the required service, outlining the approach that would be undertaken in providing the requested services. Include a timetable for transition to full operation. Describe related service experience by both the Prime and any subcontractors in similar work. Please describe the role, extent of services (# of people, engagement duration, and contract value). Provide standard written operating procedures that cover the normal industry standard activities for Desktop Technicians, Network Administration and Security, Computer Operations and any other activities proposed by the Contractor.

♦ Include Chapter 6 on *Proposed Innovations*

The Proposer may also suggest technical or procedural innovations that have been used successfully on other engagements and which may provide the City with better service delivery. In this Chapter discuss any ideas, innovative approaches, or specific new concepts included in the Proposal that would provide benefit to the City, i.e. ASP service model, PCs leases as part of contract, off-site web based help desk, etc.

♦ Include a Chapter 7 on *Project Staffing*:

In this Chapter discuss how the Proposer would propose to staff this project. Proposer key project team members shall be identified by name, specific responsibilities on the project. An organizational chart for the project team and resumes for key Proposer personnel shall be included. Key Proposer personnel will be an important factor considered by the Review Board. There can be no change of key personnel once the proposal is submitted, without the prior approval of City.

◆ Include Chapter 7 on *Proposal Exceptions*

In this Chapter discuss any exceptions or requested changes that Proposer has to the City's RFP conditions, requirements, sample contract. If there are no exceptions noted it is assumed the Contractor will be accept all conditions and requirements identified in the Attachment D "Sample Agreement for Services". Items not excepted will not later be open to negotiation.

♦ Include Chapter 8 on *Proposal Costs Sheet and Rates*

In this Chapter include the proposed costs to provide the services desired. Include any other cost and price information that would be contained in a potential agreement with the City. It is expected that the City's budgeted amount of \$150,000 will be adequate to provide these services.

Attachment A - Desktop Software Supported

LaserFiche Client

Wintegrate

Crystal Reports

Tidemark Client

Recware Client

HR Office Ascentis Client

Incode Client (Tyler Technologies)

Codemaster

Paradox (Timecard, permits)

Metroscan

Tokay

SQL 2K Client

Adobe Suites (photoshop, illustrator, etc.)

AutoDesk Client (landcad, civil, survey, map, raster)

Card File

Criss Cross Directory

Staff Files

Visual Staff Scheduler

Petwhere

Nero express

Visio

Exhibit A: Scope of Work

TVDE OF OFD) #05	SL	CEDVICE I EVEL NADDATIVE
TYPE OF SERVICE		SERVICE LEVEL NARRATIVE
1. Desktop & Server Services		
Full support will be provided for PCs and Servers Standard City hardware includes its current PCs whardware standard equipment		
Hardware Problem Diagnosis	1	Full support. Assessment and Problem diagnosis will be done on all standard PCs and supported desktop software
Hardware Component Upgrade/Replacement	1	Full support. Problem diagnosis, available solution implementation. Component replacement inventory will be provided by the City based on recommended inventory to be proposed by Contractor
Hardware Tuning	1	Full support. Problem diagnosis, available solution implementation. Only when hardware disassembly is not required
Hardware Installation and relocation	1	Full support. Complete vendor ownership. Implementation schedule to be proposed and jointly agreed upon by Contractor & City
Standard Software		
Software Diagnosis/Problem Solving	1	Full Support with problem escalation to vendors on products listed in See RFP Section IV – Typical Desktop & Server Software
Software Installation & upgrades	1	Full Support. Problem escalation to vendors, full solution ownership on Standard Software
Software Tuning/Repair	1	Full support with problem escalation to vendors.
Other Non-Standard Software		
Software Diagnosis/Problem Solving	2	Best efforts only. Will coordinate and lead resolution on a time available basis. Examples: Front Page, Access, WordPerfect
Software Installation and Integration	2	Best efforts only. Will coordinate and lead resolution on a time available basis.
Software Tuning/Repair	2	Best efforts only. Will coordinate and lead resolution on a time available basis
Modem & Remote Access Support	1 2	Remote Server: Problem escalation to vendors, full solution ownership Full remote client support is limited to City standard equipment and software installed on City's PC's at City locations. Vendor shall provide city-owned client software to employees upon request for the employee's own installation and shall provide instruction but shall not be required to touch the employee's machine.
PC & Server H/W & S/W Implementation Projects (For non-standard PCs or non-standard PC software)	3	Best efforts only. Will coordinate and lead resolution on a time available basis. Implementation schedule to be proposed and jointly agreed upon by Contractor & City
2. Network Services		
Network Hardware Problem Diagnosis	1	Full Support. Problem diagnosis and problem escalation to vendors.
New Standard Network Hardware Installation	1	Full support. Complete vendor ownership.

		Implementation schedule to be proposed and jointly agreed
N. III I DI C		upon by Contractor & City
Network Hardware Relocations	1	Problem escalation to vendors, full solution ownership
Network Security Log Reviews	1	Review logs on all security device and produce exception and/or alert reports to Network Manager
Network Hardware Tuning	1	Problem escalation to vendors, full solution ownership
Specified Network Software	1	Problem escalation to vendors, full solution ownership
Other Network Software	2	Best efforts only. Will work with specialized outside
Other retwork boltware		software vendors to install updates and troubleshoot
		network issues in cooperation with them.
Cabling Maintenance & Installation	4	Service can be provided for additional fee
Switches & Hubs Problem Diagnosis/Identification	1	Problem diagnosis, available solution implementation
Email Post Office Administration	1	Full Support. Problem escalation to vendors, full solution
		ownership.
F 10 A1 :: (:: (::)		Will maintain main P.O. name & address directories
Email Server Administration (on-site)	1	Full Support. Problem escalation to vendors, full solution ownership.
		Main Post Office, associated local message server
Administration of Internet Servers & Gateways	1	Full Support. Problem escalation to vendors, full solution
, and the second		ownership
		Limited to specific Servers (existing & planned)
Administration of Intranet Servers & Gateways	1	Full Support. Problem escalation to vendors, full solution ownership
File Server Administration	1	Full Support. Problem escalation to vendors, full solution ownership
Router & Firewall Administration	1	Full Support. Problem escalation to vendors, full solution
		ownership.
N. I.B.I. I.B. I. I.C. II. C. I	-	Table maintenance and policy enforcement
Network Related Technical Consulting Services	1	Full Support. Problem escalation to vendors, full solution ownership. Advise, recommendations, quantification of alternatives
Network Related Implementation Projects	4	Service can be provided for additional fee
3. Computer Operations	<u>'</u>	Service can be provided for additional fee
Production Computer Operations	1	Full Support. Develop and maintain all computer operations documentation for all system production job, execution, backup, back up rotation, restore, check point restarts, report distribution, and maintain complete job/event/operations production logs. On scheduled basis execute all necessary programs, backups, restored, report preparation, restart and typical in computer room operations tasks. Will cooperate fully with all Applications Development and Maintenance personnel to provide seamless Client views of development, maintenance and production operations activities
Data Management (backup, offsite storage)	1	Full Support. Problem escalation to vendors, full solution ownership Service applies to all servers managed
Database Operations (monitor and report on DBMS operations)	4	Service can be provided for additional fee
Security Management all aspects of system security (passwords, Firewall support, Internet intrusions, etc)	1	Full Support. Problem escalation to vendors, full solution ownership Internet presence, Windows NT, Mail Services, Critical Applications
Network Capacity Planning	1	Full Support. Problem escalation to vendors, full solution ownership Will provide input needed for City budgeting

4. Server Hardware Repair, Preventive Maintenance, Cleaning	1	Full support. Assessment and Problem diagnosis will be done on the covered servers and server software.
5. Helpdesk Telephone Support	1	Help Desk Telephone support provided during business hours.
6. Helpdesk Automated System	2	Automated problem submission and status reporting available on the Web
7. Client Training (Software & Applications	4	Training services, beyond simple tips available for an additional fee.
8. New Information Systems	1, 4, 5	Full support depending on the application. Vendor will install and obtain network connectivity for all new server hardware and operating system software. Vendor can be asked to directly support additional software systems for an additional fee.
9. Asset Management	1	Full support. Provide to the City periodic asset tracking of all hardware and software. Assist the city with management of assets.

Service Level (SL) Service Level Narrative

1 Full solution ownership, Problem escalation to vendors,

This is the typical expected Contractor service level, applied to requests activities the Contractor will handle. Contractor responsibility for this service level extends to whatever actions are required to meet the specific service objectives on a complete and timely basis including escalation to outside vendors if necessary, at contractor's cost.

2 Problem diagnosis, available solution implementation.

Contractor will examine, work with manufacturer, and diagnose the problem symptoms identified in the service request. Where the Contractor's staff experience suggests a probable cause and/or an appropriate solution is known, this solution will be implemented. Contractor's may coordinate and drive the resolution however the work is "best efforts." There is no assurance that the problem will be resolved. If not resolved within a reasonable timeframe, the problem will be escalated to the City's Contract Manager for follow-up and resolution.

3 Assessment, service recommendation only

Contractor will examine and diagnose the problem symptoms identified in the service request and advise the requestor and/or the City Network Manager of any issues identified as well as available courses of action. Contractor responsibility will not extend to solution implementation.

4 Service can be provided for additional fee.

Contractor will examine the problem symptoms identified in the service request and report a possible

"out of scope" situation to the City's Network Manager. If mutually determined by the City and Contractor that work is out of agreement scope, the work will not be done except by separate agreement and for additional fee. Scope could be revised in the future as City needs dictate.

No service will be provided.

Contractor will not become involved in this type of service request.

MINIMUM PERFORMANCE EXPECTATIONS

Contractor - General

Contractor is expected:

- To provide timely, professional and effective services, work harmoniously with City staff and other contractors, conduct regular status and information meetings, provide regular and timely reports on outstanding issues, work accomplished, and general network health, and make recommendations on improving City processes.
- To conduct an annual Service Satisfaction Survey in addition to the individual event survey specified below in "Desktop Support" performance survey
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5

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- Firewall monitoring for intrusion attempts, attacks, viruses, etc.
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PERFORMANCE & STAFFING INCENTIVES

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- If the monthly service rating of all closed calls during the invoiced service is below 2.50 for 3 months or more in any 6-month period, this will be grounds for termination of the contract.
- Individual survey nonresponses will be given a weight of 3.00 for averaging purposes.

Issues/Ouestions to be addressed

- Possible DBA services.
- Services to be provided during non-business hours.
- Scheduling of higher-level network admin services.

CONSULTANT AGREEMENT CITY OF PALO ALTO

THIS AGREEMENT is made this _____ day of September, 2004, by the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and the City of Palo Alto, a California municipal corporation ("PALO ALTO").

RECITALS

The following recitals are a substantive part of this Agreement:

- 1. This Agreement is entered into pursuant to the Morgan Hill City Council's approval on June 16, 2004.
- 2. CITY desires information technology services and has requested that Palo Alto provide such information technology services.
- 3. PALO ALTO has an established information technology operation and the capacity to provide such services to CITY as are hereinafter described, and is willing to do so.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

- 1. <u>Term of Agreement; Extension</u>. This Agreement shall cover services rendered from October 1, 2004, until September 30, 2006, inclusive. The CITY may, in its sole discretion, choose to extend, and PALO ALTO may, in its sole discretion, choose to accept, the Agreement on the same terms and conditions, with the exception of compensation as stated in Paragraph 4.1 below, for three successive one-year terms.
- 2. <u>Services to be Provided</u>. The services to be performed by PALO ALTO shall consist of information technology management services ("Services") as described in <u>Exhibit A</u> attached to and made a part of this Agreement.
- 3. <u>CITY'S Obligations</u>. CITY shall at its sole cost, maintain in full force and effect, and renew as necessary, all relevant third party vendor agreements and third party support agreements relevant to the software packages and/or technologies listed in <u>Exhibit B</u> attached to and made a part of this agreement.
- 4. **Compensation**. PALO ALTO shall be compensated as follows:
- 4.1 <u>Amount</u>. (\$800,000). Compensation under this Agreement shall not exceed Eight Hundred Thousand Dollars (\$800,000.) Compensation for year one shall not exceed \$150,000. Compensation for year two shall not exceed \$150,000. Should the CITY extend this Agreement pursuant to Paragraph 1 above, compensation shall be increased to \$157,500. in year three, \$165,375. in year four, and to \$173,644. in year five.
- 4.2 <u>Payment</u>. For work under this Agreement, payment shall be made per monthly invoice. For extra work not a part of this Agreement, written authorization by CITY

will be required, payment shall be based on hourly rates in <u>Exhibit B</u> attached and incorporated herein by this reference.

- 4.3 <u>Records of Expenses</u>. PALO ALTO shall keep accurate records of payroll, travel, and expenses. These records will be made available to CITY.
- 4.4 <u>Termination</u>. CITY and PALO ALTO shall have the right to terminate this Agreement, without cause, by giving fifteen (15) days' written notice.

5. **Insurance Requirements**.

- 5.1. <u>Commencement of Work</u>. PALO ALTO shall provide CITY with proof of self-insurance prior to commencement of work under this Agreement. For general liability and automobile liability, PALO ALTO shall provide CITY, prior to commencement of work, with a certificate demonstrating that Palo Alto has a self-insured retention. In addition, prior to commencement of work, Palo Alto shall provide CITY with an endorsement stating that:
- The CITY, its elected officials, officers, employees, agents and representatives are named as additional insureds; and,
- the insurer waives the right of subrogation against CITY and CITY'S elected officials, officers, employees, agents, and representatives; and,
 - insurance shall be primary non-contributing.

PALO ALTO shall furnish CITY with copies of all policies or certificates subject to this Agreement, whether new or modified, promptly upon receipt. No policy subject to this Agreement shall be cancelled or materially changed except after thirty (30) days' notice by the insurer to CITY by certified mail.

- 5.2. <u>Workers Compensation Insurance</u>. PALO ALTO and all subcontractors shall maintain Worker's Compensation Insurance, or self-insurance, if applicable.
- 5.3. <u>Insurance Types and Amounts.</u> PALO ALTO shall maintain general commercial liability and automobile insurance or self-insurance against claims and liabilities for personal injury, death, or property damage, providing protection of at least \$1,000,000 for bodily injury or death to any one person for any one accident or occurrence and at least \$1,000,000 for property damage.
- 5.4. <u>Acceptability of Insurers</u>. All insurance required by this Agreement shall be carried only by responsible insurance companies licensed to do business in California. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.
- 5.5. <u>Provision of Agreement to Insurers</u>. PALO ALTO represents that they have provided a copy of this Agreement to their respective insurers, and the insurers are aware of all obligations pertaining to PALO ALTO as stated in this Agreement.
- 6. **Non-Liability of Officials and Employees of the CITY**. No official or employee of CITY shall be personally liable for any default or liability under this Agreement.

- 7. **Non-Discrimination**. PALO ALTO covenants there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, disability, national origin, or ancestry, in any activity pursuant to this Agreement.
- 8. <u>Independent Contractor</u>. It is agreed to that PALO ALTO shall act and be an independent contractor and not an agent or employee of CITY.
- 9. <u>Compliance with Law</u>. PALO ALTO shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.
- 10. Ownership of Work Product. All documents or other information developed or received by PALO ALTO for work performed under this agreement shall be the property of CITY. PALO ALTO shall provide CITY with copies of these items upon demand or upon termination of this Agreement. To the extent that Palo Alto's performance of the services results in a work product that is in support of software programs licensed to CITY by third parties under one or more software license agreements, the applicable software license agreement shall govern CITY's use of the work product.
- 11. **Conflict of Interest and Reporting**. PALO ALTO shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.
- 12. **Notices**. All notices shall be personally delivered or mailed, via first class mail to the below listed address. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

Address of PALO ALTO is as follows:

Address of CITY is as follows:

City Manager with a copy to:

City of Morgan Hill City Clerk 17555 Peak Avenue 17555 Peak A

17555 Peak Avenue17555 Peak AvenueMorgan Hill, CA 95037Morgan Hill, CA 95037

- 13. **PALO ALTO'S Proposal**. This Agreement shall include PALO ALTO'S proposal or bid, which is incorporated herein. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.
- 14. <u>Licenses, Permits and Fees.</u> Palo Alto shall obtain a City of Morgan Hill Business license, all permits, and licenses as may be applicable and required to perform the obligations of this Agreement.
- 15. **Familiarity with Work**. By executing this Agreement, PALO ALTO represents that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should PALO ALTO discover any conditions materially

differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY and shall not proceed, except at PALO ALTO'S risk, until written instructions are received from CITY.

- 16. <u>Time of Essence</u>. Time is of the essence in the performance of this Agreement.
- 17. <u>Limitations Upon Subcontracting and Assignment</u>. Neither this Agreement nor any portion shall be assigned by PALO ALTO, without prior written consent of CITY.
- 18. <u>Authority to Execute</u>. The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement.

19, **Indemnification**.

- 19.1 PALO ALTO agrees to protect, defend and hold harmless CITY and its elective or appointive boards, officers, agents, and employees from any and all claims, liabilities, expenses, or damages of any nature, including reasonable attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, to the extent arising out of the negligent acts or omissions or willful misconduct of PALO ALTO, PALO ALTO'S agents, officers, employees, subcontractors, or independent contractors hired by PALO ALTO, in the performance of the Agreement. The only exception to PALO ALTO'S responsibility to protect, defend, and hold harmless CITY is due to the sole negligence of CITY as adjudged by a court of competent jurisdiction. This agreement shall apply to all liability, regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by PALO ALTO.
- 19.2 CITY agrees to protect, defend and hold harmless PALO ALTO and its elective or appointive boards, officers, agents, and employees from any and all claims, liabilities, expenses, or damages of any nature, including reasonable attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, to the extent arising solely out of the negligent acts or omissions or willful misconduct of CITY, CITY'S agents, officers, employees, subcontractors, or independent contractors hired by CITY, in the performance of the Agreement. This agreement shall apply to all liability, regardless of whether any insurance policies are applicable.

20. No Warranty/Limitation on Liability.

- 20.1 No warranties, whether express or implied, including, without limitation, the implied warranties of merchantability and fitness for a particular purpose, are made by PALO ALTO and PALO ALTO makes no warranties with respect to hardware equipment or software for which other warranties apply. In no event will PALO ALTO be liable to CITY or any other party for any loss, including time, money, goodwill and consequential damages, which may arise from modification of the work performed or product(s) produced under this Agreement by Palo Alto.
- 20.2 Palo Alto shall not be liable for damages caused by services, systems, software, hardware, equipment or technology of third parties that are not supplied by Palo Alto hereunder.

21. Confidentiality.

- The parties acknowledge that in the course of and as a consequence of this Agreement, they each may be exposed to or acquire information that is proprietary to or confidential to the other party or its contractors. The parties agree that they will each notify the other of any such proprietary or confidential information, and shall hold such information in strict confidence and shall not copy, reproduce, sell, assign, license, market, transfer, give or otherwise disclose such information to third parties or use such information for any purposes whatsoever, without the express written permission of the other party, other than for the provision of services under this Agreement, except as provided in Paragraph 10 above. The parties agree to advise each of their employees, agents, and representatives who may have access to such information of their obligations to keep such information confidential. All such confidential and proprietary information described herein and any deliverable provided hereunder, in whatever form, are hereinafter collectively referred to as "Confidential Information." The parties shall use their reasonable efforts to assist each other in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limitation of the foregoing, the parties shall use reasonable efforts to advise each other immediately in the event that either learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Agreement, and will reasonably cooperate in seeking relief against any such person.
- 21.2 Notwithstanding the obligations set forth in Section 21.1, the confidentiality obligations of the parties shall not extend to information that: is, as of the time of its disclosure, or thereafter becomes part of the public domain through a source other than receiving party; was known to the receiving party as of the time of its disclosure; or is independently developed by the receiving party; or is subsequently learned from a third party not under a confidentiality obligation to the providing party; or is required to be disclosed pursuant to court order or government directive whereupon the receiving party shall provide notice to the other party prior to such disclosure.
- 22. <u>Modification</u>. This Agreement constitutes the entire agreement between the parties and supersedes any previous agreements, oral or written. This Agreement may be modified or provisions waived only by subsequent mutual written agreement executed by CITY and PALO ALTO.
- 23. <u>California Law</u>. This Agreement shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the Santa Clara County Superior Court.
- 24. <u>Interpretation</u>. This Agreement shall be interpreted as though prepared by both parties.

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25. <u>Preservation of Agreement</u>. Should any provision of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.

IN WITNESS THEREOF, the parties have executed this Agreement on the day and year shown below.

CITY OF MORGAN HILL:	CITY OF PALO ALTO:
By: J. Edward Tewes, City Manager	By: Mayor
Date:	Date:
APPROVED AS TO FORM:	APPROVED AS TO FORM:
By: Helene L. Leichter, City Attorney	By: Senior Assistant City Attorney
Date:	Date:
ATTEST:	ATTEST:
By: Irma Torrez, City Clerk	By: City Clerk
APPROVED:	APPROVED:
By: Jack Dilles, Risk Manager	By: Assistant City Manager
Date:	By:Administrative Services Director
	By: Risk Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: September 15, 2004

AMENDMENT TO AGREEMENT WITH SANTA CLARA VALLEY WATER DISTRICT REGARDING THE OPERATION OF THE TENNANT WELL PERCHLORATE REMOVAL SYSTEM

Agenda Item #3
Prepared By:
Public Works Director
Submitted By:
City Manager
on, manager

RECOMMENDED ACTION(S): Authorize the City Manager to execute an amendment to existing agreement with Santa Clara Valley Water District for the operation of Tennant Well subject to review and approval by the City Attorney.

EXECUTIVE SUMMARY: As Council is aware, on August 31, 2004 the Santa Clara Valley Water District (SCVWD) took action to extend the agreement for the Tennant Well perchlorate treatment system for one additional year at their cost. The original one year agreement (attached) with the District was entered into in October of 2003 and the amendment would extend the agreement until October of 2005

It is anticipated that the Tennant Well perchlorate removal system with US Filter's ion exchange removal system will be in operation the week of September 13, 2004 and staff expects that it will run continuously for at least the first year of operation. The well is expected to produce 450 gallons per minute, which would equate to 758 acre feet of water being treated at the end of the first year. It is anticipated that the second year costs for the operation of the Tennant Well perchlorate removal system will be approximately \$140,000 and the District's monetary commitment is capped at \$140,000, and further is conditioned upon payment only if the treatment system is being operated. US Filters August 20, 2004 proposal for operation of the plant is also attached for Council information.

FISCAL IMPACT: There will be no fiscal impact to the water customers of the City of Morgan Hill since SCVWD will be picking up the second year costs of the perchlorate removal system. The term of the agreement with SCVWD states that if the City ever recovers funds from Olin for the operation of the Tennant Well perchlorate removal system, that the District would be repaid.



CITY COUNCIL STAFF REPORT

MEETING DATE: September 15, 2004

APPROVAL OF IMPROVEMENT AGREEMENT FOR 18585 MONTEREY ROAD – GATEWAY CENTER, PHASE 2 (APN 764-10-009)

RECOMMENDED ACTION: Approve the attached Improvement Agreement with South Valley Developers, Inc. and authorize the City Manager to sign the agreement on behalf of the City.

Agenda Item # 4
Prepared By:
Assistant Engineer
Approved By:
Public Works Director
Submitted By:
City Manager

EXECUTIVE SUMMARY:

This agreement is to guarantee the construction of off-site street improvements along Monterey Road southeast of Cochrane Road fronting 18585 Monterey Road (see attached location map). The public improvements are required per Section 12.02.050 of the Municipal Code and are a condition of approval for the applicant's building permit request to construct a 6,700 square foot commercial shell building at 18585 Monterey Road including four spaces for lease. The estimated construction cost of the public improvements is \$332,270.

The applicant has furnished the City with the necessary documents and has made provision with the City to provide the necessary security guaranteeing the completion of public improvements prior to the issuance of the building permit. Staff recommends that City Council approve the attached Improvement Agreement and authorize the City Manager to sign on behalf of the City.

FISCAL IMPACT:

Development review for this project is paid for from development processing fees.



CITY COUNCIL STAFF REPORT MEETING DATE: September 15, 2004

Agenda Item # 5

Prepared By:

Senior Engineer

Approved By:

Public Works Director

Submitted By:

City Manager

ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR TRACT 8791, DEL MONTE ESTATES

RECOMMENDED ACTION(S):

- 1. Adopt the attached resolution accepting the subdivision improvements included in Tract 8791, commonly known as Del Monte Estates.
- 2. Direct the City Clerk to file a Notice of Completion with the County Recorder's office.

EXECUTIVE SUMMARY:

Tract 8791 is a 17 lot subdivision located on the north side of Wright Avenue between Hale Avenue and Del Monte Avenue (see attached location map). The subdivision improvements have been completed in accordance with the requirements of the Subdivision Improvement Agreement between the City of Morgan Hill and Golden Properties Development, dated December 19, 2000 and as specifically set forth in the plans and specifications approved by the City.

The streets to be accepted are:

Street Name Street Length

Christine Lynn Drive 0.09 miles

FISCAL IMPACT: Staff time for this project was paid for by development fees.

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ACCEPTING THE SUBDIVISION IMPROVEMENTS FOR TRACT 8791, DEL MONTE ESTATES

WHEREAS, the owner of Tract 8761, designated as Del Monte Estates, entered into a Subdivision Improvement Agreement on December 19, 2000: and

WHEREAS, Jim Ashcraft, City Engineer, has certified in writing to the City Council that all of said improvements have been installed according to the City specifications and plans for said subdivision.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA, AS FOLLOWS:

- 1. The City Council hereby finds and determines that all public improvements required to be constructed pursuant to the above-mentioned Subdivision Improvement Agreement have been completed in accordance with the plans and specifications for said improvements.
- 2. This resolution shall constitute an interim acceptance of all said public improvements and the date of its passage shall constitute the starting day for computing the one year maintenance provisions referred to in Paragraph 10 of the Subdivision Improvement Agreement of December 19. 2000.
- 3. The City Clerk, following adoption of this resolution, will file with the Recorder of Santa Clara County, California a Notice of Completion of the subdivision public improvements.
- 4. If requested by the developer or subdivider, the City Clerk hereby is authorized to record a certified copy of this resolution with the Recorder of Santa Clara County, California.

PASSED AND ADOPTED this 15th day of September, 2004.

NOES: ABSTAIN:
ABSENT:
CERTIFICATION
I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. adopted by the City Council at the Regular City Council Meeting of September 15, 2004. WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.
DATE: IRMA TORREZ, City Clerk

AYES:

Record at the request of and when recorded mail to:

CITY OF MORGAN HILL CITY CLERK 17555 Peak Avenue Morgan Hill, CA 95037

RECORD AT NO FEE PURSUANT TO GOVERNMENT CODE SECTION 27383

NOTICE OF COMPLETION

CITY OF MORGAN HILL

TRACT 8791, DEL MONTE ESTATES

NOTICE IS HEREBY GIVEN, pursuant to Section 3093 of the Civil Code of the State of California, that the Director of Public Works of the City of Morgan Hill, California, signed below, represents the City of Morgan Hill as the owner of the public improvements for the above named development. Said improvements were substantially completed on August 30, 2004, by Golden Properties Development, the subdivider of record and accepted by the City Council on September 15, 2004. Said improvements consisted of public streets, utilities and appurtenances.

The name of the surety on the contractor's bond for labor and materials on said project is Amwest Surety Insurance Company.

Name and address of Owner:	City of Morgan Hill 17555 Peak Avenue Morgan Hill, California
Dated:,	2004.
	Jim Ashcraft, Director of Public Works
I certify	under penalty of perjury that the foregoing is true and correct.
	Irma Torrez, City Clerk

City of Morgan Hill, CA

Date:



CITY COUNCIL STAFF REPORT MEETING DATE: September 15, 2004

Agenda Item # 6

Prepared By:

Senior Engineer

Approved By:

Public Works Director

Submitted By:

City Manager

ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR TRACT 9427, QUAIL CREEK PH. I

RECOMMENDED ACTION(S):

- 1. Adopt the attached resolution accepting the subdivision improvements included in Tract 9427, commonly known as Quail Creek Ph. I.
- 2. Direct the City Clerk to file a Notice of Completion with the County Recorder's office.

EXECUTIVE SUMMARY:

Tract 9427 is a 20 lot subdivision located on the northeast corner of Watsonville Road and Sunnyside Avenue (see attached location map). The subdivision improvements have been completed in accordance with the requirements of the Subdivision Improvement Agreement between the City of Morgan Hill and South Valley Developers, dated August 30, 2002 and as specifically set forth in the plans and specifications approved by the City.

The streets to be accepted are:

Street Name	Street Length
Bellini Way	0.17 miles
Excaliber Drive	0.04 miles

FISCAL IMPACT: Staff time for this project was paid for by development fees.

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ACCEPTING THE SUBDIVISION IMPROVEMENTS FOR TRACT 9427, QUAIL CREEK PH. I

WHEREAS, the owner of Tract 9427, designated as Quail Creek Ph. I, entered into a Subdivision Improvement Agreement on August 30, 2002 and

WHEREAS, Jim Ashcraft, City Engineer, has certified in writing to the City Council that all of said improvements have been installed according to the City specifications and plans for said subdivision.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA, AS FOLLOWS:

- 1. The City Council hereby finds and determines that all public improvements required to be constructed pursuant to the above-mentioned Subdivision Improvement Agreement have been completed in accordance with the plans and specifications for said improvements.
- 2. This resolution shall constitute an interim acceptance of all said public improvements and the date of its passage shall constitute the starting day for computing the one year maintenance provisions referred to in Paragraph 10 of the Subdivision Improvement Agreement of August 30, 2002.
- 3. The City Clerk, following adoption of this resolution, will file with the Recorder of Santa Clara County, California a Notice of Completion of the subdivision public improvements.
- 4. If requested by the developer or subdivider, the City Clerk hereby is authorized to record a certified copy of this resolution with the Recorder of Santa Clara County, California.

PASSED AND ADOPTED this 15th day of September, 2004.

NOES.
ABSTAIN:
ABSENT:
CERTIFICATION
I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL,
CALIFORNIA , do hereby certify that the foregoing is a true and correct copy of Resolution No. adopted by the City Council at the Regular City Council Meeting of September 15, 2004.
adopted by the City Council at the Regular City Council Meeting of September 13, 2004.
WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.
DATE:
IRMA TORREZ, City Clerk

AYES:

Record at the request of and when recorded mail to:

CITY OF MORGAN HILL CITY CLERK 17555 Peak Avenue Morgan Hill, CA 95037

RECORD AT NO FEE PURSUANT TO GOVERNMENT CODE SECTION 27383

NOTICE OF COMPLETION

CITY OF MORGAN HILL

TRACT 9427, QUAIL CREEK PH. I

NOTICE IS HEREBY GIVEN, pursuant to Section 3093 of the Civil Code of the State of California, that the Director of Public Works of the City of Morgan Hill, California, signed below, represents the City of Morgan Hill as the owner of the public improvements for the above named development. Said improvements were substantially completed on August 26, 2004, by South Valley Developer, Inc., the subdivider of record and accepted by the City Council on September 15, 2004. Said improvements consisted of public streets, utilities and appurtenances.

The name of the surety on the contractor's bond for labor and materials on said project is American Motorists Insurance Company.

Name and address of Owner:	City of Morgan Hill 17555 Peak Avenue Morgan Hill, Californ	ia
Dated:,	2004.	
	J	im Ashcraft, Director of Public Works
I certif	y under penalty of perju	ry that the foregoing is true and correct.

Irma Torrez, City Clerk City of Morgan Hill, CA Date:

FINAL MAP APPROVAL FOR QUAIL CREEK PH. III (TRACT 9561)

Agenda Item # 7 Prepared By: Senior Civil Engineer Approved By: Public Works Director Submitted By:

City Manager

RECOMMENDED ACTION(S):

- 1) Approve the final map, subdivision agreement and improvement plans
- 2) Authorize the City Manager to sign the Subdivision Improvement Agreement on behalf of the City
- 3) Authorize the recordation of the map and the Subdivision Improvement Agreement following recordation of the Development Improvement Agreement

EXECUTIVE SUMMARY:

Tract 9561 is a 22 lot subdivision located on the northeast corner of the Sunnyside Avenue and Watsonville Road (see attached location map). The developer has completed all the conditions specified by the Planning Commission in the approval of the Tentative Map on September 9, 2003.

The developer has furnished the City with the necessary documents to complete the processing of the Final Map and has made provisions with a Title Company to provide the City with the required fees, insurance and bonds prior to recordation of the Final Map.

FISCAL IMPACT:

Development review for this project is from development processing fees.



CITY COUNCIL STAFF REPORT

MEETING DATE: September 15, 2004

APPROVAL OF AMENDED IMPROVEMENT AGREEMENT FOR 1295 EAST DUNNE AVENUE (APN 728-17-023)

RECOMMENDED ACTION: Approve the attached amended Improvement Agreement with Mr. and Mrs. Waiyan and Tsai-pi Ho and authorize the City Manager to sign the agreement on behalf of the City.

Agenda Item # 8
Prepared By:
Assistant Engineer
Approved By:
Public Works Director
Submitted By:
City Manager

EXECUTIVE SUMMARY:

On January 21, 2004, Council took action and approved the Improvement Agreement for signature with Arch Design, Inc. The owner of 1295 East Dunne Avenue and Arch Design, Inc., now requests that the Improvement Agreement be changed to his and his wife's name because he could not get bonds in his company name.

This agreement is to guarantee the construction of off-site street improvements at the northwest intersection of East Dunne Avenue and Murphy Avenue fronting 1295 East Dunne Avenue (see attached location map). The off-site improvements along Murphy Avenue will provide for a widened street and a smooth transition to East Dunne Avenue. The public improvements are required per Section 12.02.050 of the Municipal Code. The public improvements are a condition of approval for the applicant's building permit request to construct a 2.35 acre commercial business park at 1295 East Dunne Avenue including offices for Arch Design, Inc., as well as other space for lease. The estimated construction cost of the public improvements is \$210,592, which includes \$150,000 for a traffic signal and \$60,592 for other improvements.

The applicant has furnished the City with the necessary documents and has made provision with the City to provide the necessary security guaranteeing the completion of public improvements prior to the issuance of the building permit. Staff recommends that City Council approve the attached Improvement Agreement and authorize the City Manager to sign on behalf of the City.

FISCAL IMPACT:

Development review for this project is paid for from development processing fees.



CITY COUNCIL STAFF REPORT

MEETING DATE: September 15, 2004

RESOLUTION REQUESTING AUTHORIZATION UNDER SECTION 21221(h) OF CALIFORNIA CODE FROM PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS) FOR BRUCE CUMMING TO BE EMPLOYED FOR MORE THAN 960 HOURS IN A ONE-YEAR PERIOD

Agenda Item # 9
Prepared By:
HR Director
Submitted By:
City Manager

RECOMMENDED ACTION(S):

Approve the Resolution requesting CalPERS for an extension for Interim Police Chief Bruce Cumming to be employed for more than 960 hours in a one-year period.

EXECUTIVE SUMMARY:

Bruce Cumming was appointed as Interim Police Chief beginning January 20, 2004. As a CalPERS retiree, he is limited to working only 960 hours in a one-year period. Government Code Section 21221(h) allows for and provides direction for requesting an extension to the 960-hour limit. The City is nearing the end of the recruitment and selection process for appointment of a regular Police chief, and CalPERS previously granted an extension of Chief Cumming's hours through September 15, 2004. However, the selection process will not be completed by that date. CalPERS advised that another extension may be granted to accommodate any necessary additional hours on Chief Cumming's part through January 19, 2005. A resolution passed by the City Council must accompany the City's request to CalPERS for the extension.

FISCAL IMPACT: None. The cost of the Employment Agreement will be covered by the salary savings for the budgeted Police Chief position.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL REQUESTING AUTHORIZATION UNDER SECTION 21221(h) OF CALIFORNIA CODE FROM PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS) FOR BRUCE CUMMING TO BE EMPLOYED FOR MORE THAN 960 HOURS IN A ONE-YEAR PERIOD.

WHEREAS, on January 20, 2004 the City of Morgan Hill and Bruce Cumming entered into an Agreement to employ Bruce Cumming as an Interim Police Chief for the City of Morgan Hill; and

WHEREAS, it is in the interest of the City of Morgan Hill to employ Bruce Cumming to the extent necessary until recruitment of a regular Police Chief has been completed; and

WHEREAS, such continued employment would necessitate Bruce Cumming working more than 960 hours in a one-year period; and

WHEREAS, the City of Morgan Hill is now in the final stages of completing the recruitment process for a regular Police Chief and is working diligently to complete Mr. Cumming's service to the City; and

WHEREAS, the City of Morgan Hill expected that this situation will require continuing service by Mr. Cumming until no later than September 15, 2004; and

WHEREAS, the City of Morgan Hill now realizes that the final stages of the recruitment process for a regular Police Chief requires continued employment of Bruce Cumming later than September 15, 2004;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORGAN HILL THAT: Pursuant to California Government Code section 21221 (h), the City of Morgan Hill City Council requests the Public Employees' Retirement Board to allow Bruce Cumming to be employed more than 960 hours in a one-year period and directs the City Manager of the City of Morgan Hill to provide to PERS any pertinent information related to this request.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 15th Day of September, 2004 by the following vote.

AYES: COUNCIL MEMBERS: NOES: COUNCIL MEMBERS: ABSTAIN: COUNCIL MEMBERS: COUNCIL MEMBERS:

***** CERTIFICATION *****

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No., adopted by the City Council at a Regular Meeting held on September 15, 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE:	
	IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT MEETING DATE: September 15, 2004

ADOPT ORDINANCE NO. 1694, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1474, NEW SERIES, AMENDING THE LIST OF PERMITTED USES FOR DIGITAL ISLAND OF THE MORGAN HILL RANCH BUSINESS PARK TO ALLOW GENERAL OFFICE USES AND UP TO 40,000 SQUARE FEET OF MEDICAL/DENTAL OFFICE USES (APNs 726-25-080 thru - 082) (ZA-04-07: DIGITAL – VENTURE PROFESSIONAL CENTER)

Agenda Item # 10
Prepared By:
Deputy City Clerk
Approved By:
City Clerk
Submitted By:
City Manager

RECOMMENDED ACTION(S):

<u>Waive</u> the Reading, and <u>Adopt</u> Ordinance No. 1694, New Series, and <u>Declare</u> That Said Title, Which Appears on the Public Agenda, Shall Be Determined to Have Been Read by Title and Further Reading Waived.

EXECUTIVE SUMMARY:

At a Regular City Council meeting on September 1, 2004, the City Council Introduced Ordinance No. 1694, New Series, by the Following Roll Call Vote: AYES: Carr, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: Chang.

FISCAL IMPACT:

None. Filing fees were paid to the City to cover the cost of processing this application.

ORDINANCE NO. 1694, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1474, N.S., AMENDING THE LIST OF PERMITTED USES FOR DIGITAL ISLAND OF THE MORGAN HILL RANCH BUSINESS PARK TO ALLOW GENERAL OFFICE USES AND UP TO 40,000 SF OF MEDICAL/DENTAL OFFICE USES (APNs 726-25-080 thru-082) (ZA-04-07: DIGITAL – VENTURE PROFESSIONAL CENTER)

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

- **SECTION 1.** The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.
- **SECTION 2.** The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.
- SECTION 3. An environmental initial study has been prepared for this application and has been found complete, correct and in substantial compliance with the requirements of California Environmental Quality Act. A mitigated Negative Declaration will be filed.
- **SECTION 4.** The City Council finds that the proposed amendments to the Planned Unit Development District are consistent with the criteria specified in Chapter 18.30 of the Morgan Hill Municipal Code.
- SECTION 5. The City Council hereby approves a precise development plan as contained in that certain series of documents date stamped July 9, 2004, on file in the Community Development Department, entitled "Venture Professional Center" prepared by Ware Malcomb. These documents, as amended by site and architectural review, show the location and sizes of all lots in this development and the location of all proposed buildings, vehicle and pedestrian circulation ways, recreational amenities, parking areas, landscape areas and any other purposeful uses on the project.
- SECTION 6. The Council hereby approves an amendment to the list of allowable uses within Lots 1, 2 and 3 of Digital Island, as shown on the attached zoning plat (Exhibit A), to include those uses identified in the attached Exhibit B.
- **SECTION 7.** The Council hereby tables the applicant's request for an MRI (magnetic resonance imaging) facility in the Venture Professional Center for future reconsideration on or after December 1, 2004.

City of Morgan Hill Ordinance No. 1694, N.S. Page 2

AVFS.

Irma Torrez, City Clerk

- SECTION 8. On or prior to December 1, 2004, the Council will consider a substantive plan from the DePaul Health Center which demonstrates the Center's present ability and intent, both financially and administratively, to install an MRI facility at the Center. Said plan shall include definite time lines for such installation.
- **SECTION 9.** Should the Council determine the Center's plan to be insufficient on or shortly after December 1, 2004, the City Council will reconsider the inclusion of an MRI facility in the Venture Professional Center.
- **SECTION 10.** Approval of this zoning amendment request shall not become effective until such time that the applicant (Morgan Hill Development Partners) cures all defaults of any subdivision improvement agreement; development agreement, including but not limited to payment of assessments, penalties and interest; and/or any other agreements between the applicant and the City of Morgan Hill.
- **SECTION 11.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.
- **SECTION 12.** Effective Date; Publication. This Ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the $1^{\rm st}$ Day of September 2004, and was finally adopted at a regular meeting of said Council on the $15^{\rm th}$ Day of September 2004, and said ordinance was duly passed and adopted in accordance with law by the following vote:

NOES: ABSTAIN: ABSENT:	COUNCIL MEMBERS: COUNCIL MEMBERS: COUNCIL MEMBERS:		
ATTEST:		APPROVED:	

Dennis Kennedy, Mayor

COUNCIL MEMBERS.

EXECUTE OF THE CITY CLERK 03

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1694, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 15th Day of September 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE:	
	IRMA TORREZ, City Clerk

EXHIBIT B

ALLOWED USES FOR DIGITAL ISLAND VENTURE PROFESSIONAL CENTER

PERMITTED USES

Lots 1, 2 and 3:

- 1. All uses permitted in the ML, Light Industrial Zoning District as in effect on January 30, 1980, or as amended to consider other allowable uses; Private Recreation uses for Park employees.
- 2. 'Medical, dental, research, experimental, film or testing laboratories' shall include only those facilities where analysis testing is completed and no patient contact is involved.
- 3. All permitted uses allowed in the CO, Administrative Office District as in effect on July 28, 2004, with the following exceptions:
 - a. 'Educational services' shall be a conditional use (see below).
 - b. 'Health services, exclusive of hospitals' shall be prohibited except as specifically allowed by this ordinance.
 - c. 'Social services, except residential care' shall also exclude day care services.
- 4. All Group I and Group E Occupancies are strictly prohibited.

Building 1 on Lot 3 Only (up to a maximum of 40,000 sf):

- 1. Professional offices, which shall be defined as follows: An office from which and at which a doctor, lawyer, engineer, architect, accountant or similar professional persons may offer services.
- 2. A maximum of five patients undergoing minor medical procedures that require general anesthesia or that may render a patient incapable of unassisted self-preservation shall occupy the building at any given time.

CONDITIONAL USES - The following uses shall require review and approval by the Morgan Hill Planning Commission

Lots 1, 2 and 3:

- 1. All uses conditionally permitted in the ML, Light Industrial Zoning District as in effect on January 30, 1980, or as amended to consider other allowable uses.
- 2. Educational services

CITY OF MORGAN HILL SPECIAL CITY COUNCIL MEETING MINUTES – AUGUST 11, 2004

City Council Action

City Council Members present: Mayor Kennedy and Mayor Pro Tempore Sellers

City Members absent: Council Members Carr, Chang, and Tate

Other South County Agency Members present: Santa Clara County Board of Supervisor Don Gage; Russ Danielson, Coyote Valley Specific Plan Task Force Member; Craige Edgerton, Coyote Valley Specific Plan Task Force Member and Board of Directors, Santa Clara County Open Space Authority; Alex Kennett, Member and Board of Directors, Santa Clara County Open Space Authority; Steve Kinsella, President, Gavilan College; Dr. Carolyn McKennan, Superintendent, Morgan Hill Unified School District; Shelle Thomas, Vice President, Board of Trustees, Morgan Hill Unified School District; and Rebecca Van Dahlen, Santa Clara County Board of Realtors

The Special Meeting of the City Council scheduled for August 11, 2004 was cancelled due to the lack of a quorum.

WORKSHOP: COYOTE VALLEY SPECIFIC PLAN

Mayor Kennedy and Mayor Pro Tempore Sellers met with the South County Agency Members in attendance and addressed the items listed on the special City Council meeting agenda as follows:

1. Welcome and Meeting Purpose

Mayor Kennedy welcomed participants to the meeting and described its purpose.

2. Summary and Discussion of Coyote Valley Specific Plan Progress

Contract Planner David Bischoff summarized the progress made by the City of San Jose in development of a specific plan for Coyote Valley and the schedule of future efforts by the City and its appointed Task Force and committees.

Dr. McKennan reported that the District has expressed its concern to the City of San Jose regarding the school sizes and configurations proposed for Coyote Valley. She also indicated that there was a possibility that future meetings would be held between City staff and representatives of the District regarding the District's concerns.

No action was taken relative to this agenda item.

City of Morgan Hill Special City Council Meeting Minutes – August 11, 2004 Page - 2 –

3. Review of Letter to San Jose Regarding Common Interests

Contract Planner Bischoff walked the Agency representatives through the draft letter to Mayor Gonzales which it had requested be written at the last meeting.

Supervisor Gage indicated that he felt the letter needed to be more strongly worded in many locations.

Mayor Pro Tempore Sellers agreed with Supervisor Gage. To emphasize his concern, Mr. Sellers indicated that it is common knowledge that people who will work in Coyote Valley will live south of that area. He felt the letter to Mayor Gonzales should ask how the City of San Jose intends to mitigate the obvious impacts that will result from the northbound commute into this area. Mr. Sellers also indicated that it would be important for light rail to be extended south of Coyote Valley to ease the commute impacts.

Regarding the questions about provision of new schools to serve the Coyote Valley, Dr. McKennan felt that they addressed some of the District's concerns but not all of them.

President Kinsella felt that a question needed to be added regarding the flexibility to be incorporated into the plan in recognition of the Districts' abilities to acquire properties anywhere within the Coyote Valley irrespective of the Specific Plan's directives.

Vice-President Thomas said that it would be important to ask how the City of San Jose anticipates funding the purchase of land and construction of schools and support facilities for the District in advance of the need generated by the new homes planned for the area. She also expressed concern regarding the long-term availability of water to serve the development planned for Coyote Valley.

Supervisor Gage recommended adding a question asking the City of San Jose representatives what plans are being made to provide for private recreational facilities, including ball fields, for the area.

Discussion proceeded regarding whether the draft letter represents the views of the participating agencies or only the representatives of the agencies who have participated in the meetings. It was agreed that the letter should indicate that the issues/questions represent the views of the agency representatives and that those representatives are prepared to recommend support of the issues/questions to their respective governing boards.

4. <u>Discussion of Upcoming Meeting with Mayor Gonzales</u>

Mayor Kennedy indicated that a meeting had been scheduled with Mayor Gonzales for August 25th. He said that he would present South County agency concerns to Mayor Gonzales at that meeting and would report the outcome at the next meeting of South County agencies.

City of Morgan Hill Special City Council Meeting Minutes – August 11, 2004 Page - 3 –

5. <u>Future Steps</u>

It was agreed that the next meeting of South County agencies would be held on August 25th, at 4:00 p.m. at the Community and Cultural Center.

Rebecca Van Dahlen said that she believes that development of Coyote Valley will create traffic congestion in the South County area. She further indicated that she did not believe that Mayor Gonzales would consult with South County agencies regarding this future impact. She asked the group what options were being considered should consultation not occur and traffic impacts be created.

Vice President Thomas asked if South County agencies are willing to take a stand should Mayor Gonzales not adequately respond to the questions posed by the letter.

Mayor Kennedy indicated that he felt the City would take a stand on the issues. But he felt that City of San Jose should first be given a chance to address the agencies' concerns.

6. Public Comments

PREPARED BY:

Ken Saso indicated that his name was misspelled in the minutes of the previous meeting. He also said that he does not own property within the greenbelt.

The meeting adjourned at 5:32 p.m.

THE THE DIT	
IRMA TORREZ, CITY CLERK	

AGENDA ITEM #___12___ Submitted for Approval: September 15, 2004

CITY OF MORGAN HILL SPECIAL CITY COUNCIL MEETING MINUTES – SEPTEMBER 1, 2004

CALL TO ORDER

Mayor Kennedy called the special meeting to order at 4:10 p.m.

ROLL CALL ATTENDANCE

Present: Council Members Sellers, Tate and Mayor Kennedy

Absent: Council Members Carr and Chang

DECLARATION OF POSTING OF AGENDA

The meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

City Council Action

TOUR

1. WALK THROUGH TOUR OF AQUATICS CENTER FACILITY.

Action: City Council toured facility to review the final "punch list" of construction issues and to

verify that the facility is ready for acceptance as being complete. No action was taken.

FUTURE COUNCIL-INITIATED AGENDA ITEMS

No items were identified.

ADJOURNMENT

There being no further business, Mayor Kennedy adjourned the meeting at 5:02 p.m.

MINUTES RECORDED AND PREPARED BY: IRMA TORREZ, CITY CLERK



CITY COUNCIL STAFF REPORT SEPTEMBER 15, 2004

APPOINTMENTS TO THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA) VALLEY TRANSPORTATION PLAN DESIGN ENHANCEMENTS (VTP DE) COMMITTEE

Agenda Item # 13
Prepared By:
Council Services & Records Manager
Submitted By:
City Manager

RECOMMENDED ACTION(S):

- 1. Appoint Planning Commissioner Robert Benich and Architectural Review Board Members James Fruit and Yarmila Kennett to the VTP DE Committee.
- 2. Direct the City Clerk's Office to notify the VTA's Office of the Council's appointments to this Committee.

EXECUTIVE SUMMARY:

At the Council's August 25, 2004 meeting, the Council agreed to approve the request from Santa Clara County Board of Supervisor Don Gage to appoint three (3) City of Morgan Hill representatives to serve on the VTP DE Committee. Further, the Council agreed to the Mayor's suggestion that the Planning Commission and Architectural Review Board (ARB) submit names of their respective members who would be interested in serving on this Committee.

Staff agendized, before the Planning Commission (August 31) and the ARB (September 3), interest in serving on the VTP DE Committee. Planning Commissioner Robert Benich has expressed an interest and willingness to serve on this Committee. Board Members James Fruit and Yarmila Kennett have also agreed to serve on this Committee.

Should the Council concur, the City Clerk's Office will contact Gail Collins, VTA's liaison to the Committee, and notify her of the Council's appointments.

FISCAL IMPACT: No Fiscal Impact.

Submitted for Approval: September 15, 2004

CITY OF MORGAN HILL JOINT SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES – SEPTEMBER 1, 2004

CALL TO ORDER

Mayor/Chairman Kennedy called the special meeting to order at 6:08 p.m.

ROLL CALL ATTENDANCE

Present: Council/Agency Members Sellers, Tate and Mayor/Chairman Kennedy

Late: Council/Agency Member Carr (arrived at 6:30 p.m.)

Absent: Council/Agency Member Chang

DECLARATION OF POSTING OF AGENDA

City Clerk/Agency Secretary Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954 2

City Council and Redevelopment Agency Action

CLOSED SESSIONS:

City Manager/Executive Director Tewes announced the below listed closed session items:

1

<u>CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITI</u>GATION

Authority: Government Code Sections 54956.9(b) & (c)

Number of Potential Cases: 4

2.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Government Code section 54956.9(a)
Case Name: Klaver v. City of Morgan Hill
Case Number: WCAB SJO 241834; San Jose Board

Attendees: City Manager, City Attorney, Human Resources Director

OPPORTUNITY FOR PUBLIC COMMENT

Mayor/Chairman Kennedy opened the Closed Session items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Mayor/Chairman Kennedy adjourned the meeting to Closed Session at 6:10 p.m.

City of Morgan Hill Joint Special & Regular City Council and Special Redevelopment Agency Meeting Minutes – September 1, 2004 Page - 2 –

RECONVENE

Mayor/Chairman Kennedy reconvened the meeting at 7:04 p.m.

CLOSED SESSION ANNOUNCEMENT

Mayor/Chairman Kennedy indicated that the closed session items were continued to the conclusion of the open meeting agenda items.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORT

Council Member Tate indicated that the Council has established an ethics subcommittee who is formulating an "Ethics Policy" for the City of Morgan Hill that will incorporate honesty, fairness, respect, responsibility loyalty, and compassion values. He indicated that he serves on the Ethics Subcommittee, along with Mayor Kennedy and 3-4 members from the Council's various Commissions, including the Youth Advisory Committee. He stated that the ethics subcommittee met last night and identified behaviors that describe the above listed values. He said that it will take approximately 1-2 more meetings before the Ethics Subcommittee can bring a draft policy before the Council. He indicated that the Library Joint Powers Authority (JPA) met last Thursday to finalize a budget for the upcoming year. He said that the JPA could not finalize the budget until the Governor signed the State budget as the library is impacted by decisions made at the State level. He said that the good news is that there is a provision placed in the State budget that exempts libraries from the shift of funds to education. Therefore, \$2.4 million in library funding was saved and that there will be no layoffs to take place in the County and local library system. The bad news is that with increased wages/benefits, and other minor cuts made by the State, the Morgan Hill library will be closed every Monday starting October 1 to help bring the library budget into balance. He said that there is some optimism with a new library ballot measure and that with proper/extensive planning and significant fundraising; there may be a good opportunity to pass a ballot measure on a second attempt in 2005. He encouraged individuals interested in helping with the planning to become a part of the process to assist with the ballot measure. He addressed the new library to be built on the civic center site. He invited the public to attend a September 13, 2004, 7:15 p.m. Library Commission meeting and provide feedback on the early planning that is taking place on the new library. To be revisited is the vision, goals, and objectives for the library. He said that there has been some preliminary design work done in looking at a 28,000 square foot layout for the library.

CITY MANAGER REPORT

City Manager Tewes reminded the Council and members of the community of the importance and usefulness of the City's webpage. He indicated that the City's homepage will feature links to important

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information about the West Nile virus and about mountain lion sightings. He stated that the City's webpage has some helpful tips on how an individual can protect oneself from both of these instances. He said that in some of the rural areas in the County some animals, including some birds, have been infected by the West Nile virus. He said that the West Nile virus has been moving west in California and has been found in Santa Clara County.

CITY ATTORNEY REPORT

Acting City Attorney William McClure indicated that he did not have a City Attorney's report to present this evening.

OTHER REPORTS

None.

PUBLIC COMMENT

Mayor/Chairman Kennedy opened the floor to public comments for items not appearing on this evening's agenda.

Mayor Kennedy welcomed the Live Oak High School Seniors to the Council meeting. He announced that the City will be co-sponsoring, in association with the Morgan Hill Chamber of Commerce, a Patriot's Day Remembrance to be held on Saturday, September 11, 2004 @ 10:00 a.m. at the Community & Cultural Center Amphitheater. He encouraged citizens to attend. He also announced that on October 1, 2004, the State of California will be celebrating and recognizing "California Arts Day." He indicated that a reception will be held at the Community & Cultural Center on this day. He pointed out that art is important to the community as it improves the education and academic performance of children, contributes to the cross cultural understanding, boosts tourism, promotes civic pride, and provides an outlet for creative expression. The arts are extremely important, employing more than 160,000 individuals in California and generating \$5.4 billion in economic activity; providing \$300 million in State and local taxes. Therefore, he felt that it was important to support the arts and encouraged citizens to attend the reception to be held October 1.

No further comments were offered.

City Council Action

CONSENT CALENDAR:

Action: On a motion by Council Member Tate and seconded by Council Member Carr, the City

Council, on a 4-0 vote with Council Member Chang absent, Approved Consent Calendar

Items 1-16 as follows:

City of Morgan Hill Joint Special & Regular City Council and Special Redevelopment Agency Meeting Minutes – September 1, 2004 Page - 4 –

1. <u>EXTENSION OF SUBDIVISION IMPROVEMENT AGREEMENT – ALCINI PARTNERSHIP</u>

<u>Action: Granted</u> Limited Amendment to Subdivision Improvement Agreement (Without Splitting of Bonds).

2. EXTENSION OF MILLER NETWORKS CONTRACT

<u>Action:</u> <u>Authorized</u> the City Manager to Execute the Agreement, Subject to Review and Approval by City Attorney.

3. RESPONSE TO SANTA CLARA COUNTY GRAND JURY REPORT "INQUIRY INTO POLICE EVIDENCE ROOMS IN SANTA CLARA COUNTY"

<u>Action:</u> <u>Directed</u> Staff to Provide the Reponses Described in the Staff Report to the 2003-2004 Santa Clara County Grand Jury.

4. RESPONSE TO SANTA CLARA COUNTY GRAND JURY REPORT "INQUIRY INTO FINANCIAL AND PERFORMANCE AUDITS FOR THE COUNTY AND CITIES IN THE COUNTY"

<u>Action:</u> <u>Directed</u> Staff to Provide the Proposed Response to the 2003-2004 Grand Jury Concerning Their Final Report "Inquiry into Financial and Performance Audits for the County and Cities in the County".

5. FINAL MAP APPROVAL FOR VIALE (TRACT 9589)

<u>Action:</u> 1) <u>Approved</u> the Final Map, Subdivision Agreement and Improvement Plans; 2) <u>Authorized</u> the City Manager to Sign the Subdivision Improvement Agreement on Behalf of the City; and 3) <u>Authorized</u> the Recordation of the Map and the Subdivision Improvement Agreement following Recordation of the Development Improvement Agreement.

6. FINAL MAP APPROVAL FOR CAPRIANO, PHASE II (TRACT 9617)

<u>Action:</u> 1) <u>Approved</u> the Final Map, Subdivision Agreement and Improvement Plans; 2) <u>Authorized</u> the City Manager to Sign the Subdivision Improvement Agreement on Behalf of the City; and 3) <u>Authorized</u> the Recordation of the Map and the Subdivision Improvement Agreement following Recordation of the Development Improvement Agreement.

7. FINAL MAP APPROVAL FOR MISSION RANCH, PHASE VII (TRACT 9602)

<u>Action:</u> 1) <u>Approved</u> the Final Map, Subdivision Agreement and Improvement Plans; 2) <u>Authorized</u> the City Manager to Sign the Subdivision Improvement Agreement on Behalf of the City; and 3) <u>Authorized</u> the Recordation of the Map and the Subdivision Improvement Agreement following Recordation of the Development Improvement Agreement.

8. AWARD OF PROFESSIONAL SERVICES CONTRACT TO PREPARE PROJECT STUDY REPORT/PROJECT REPORT (PSR/PR) FOR THE HIGHWAY 101/TENNANT AVENUE INTERCHANGE PROJECT

<u>Action:</u> <u>Authorized</u> the City Manager to Execute a Consultant Agreement with Mark Thomas & Company, Inc. for the Preparation of a Project Study Report/Project Report (PSR/PR), including

City of Morgan Hill Joint Special & Regular City Council and Special Redevelopment Agency Meeting Minutes – September 1, 2004 Page - 5 –

all Environmental Studies and Geometric Alignments Necessary to begin the Process for the Highway 101/Tennant Avenue Interchange Project, Subject to Review and Approval by the City Attorney.

9. PURCHASE OF PHOTOCOPIERS

<u>Action:</u> 1) <u>Authorized</u> the Purchase of Four New Copiers through Rabbit Office Automation, Subject to City Attorney Review and Approval; 2) <u>Declared</u> the Three Existing Copiers as Surplus, and Authorize Disposal by the Purchasing Officer; and 3) <u>Approved</u> \$8,947 in Additional Appropriations from the Public Facilities Non-AB1600 Fund, and \$24,341 in Additional Appropriations from General Fund Reserves.

10. ADOPT ORDINANCE NO. 1690, NEW SERIES

<u>Action: Waived</u> the Reading, and <u>Adopted</u> Ordinance No. 1690, New Series, and <u>Declared</u> That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1660, NEW SERIES, AMENDING THE DEVELOPMENT AGREEMENT FOR APPLICATION MP-02-12: PEET – LUPINE INVESTORS/BORELLO (APNS 728-34-002 & -003).

11. ADOPT ORDINANCE NO. 1691, NEW SERIES

<u>Action: Waived</u> the Reading, and <u>Adopted</u> Ordinance No. 1691, New Series, and <u>Declared</u> That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1658, NEW SERIES, TO AMEND DEVELOPMENT AGREEMENT DA-03-13 FOR APPLICATION MP 02-15: MISSION VIEW-MISSION RANCH TO ALLOW FOR THE INCORPORATION OF 22 SUPPLEMENTAL BUILDING ALLOCATIONS AWARDED IN THE 2003 RDCS COMPETITION. (APN 728-32-008 & 009).

12. ADOPT ORDINANCE NO. 1692, NEW SERIES

Action: Waived the Reading, and Adopted Ordinance No. 1692, New Series, and Declared That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING TEXT AMENDMENTS TO CHAPTER 18.24 (CENTRAL COMMERCIAL/ RESIDENTIAL DISTRICT) OF TITLE 18 (ZONING) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL. (ZA-04-04: CITY OF MORGAN HILL-TEXT AMENDMENT/CC-R).

13. ADOPT ORDINANCE NO. 1693, NEW SERIES

<u>Action: Waived</u> the Reading, and <u>Adopted</u> Ordinance No. 1693, New Series, and <u>Declared</u> That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTION 9.04.010(A)

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(Discharge-Permit Required-Fee) OF CHAPTER 9.04 (WEAPONS) AND ENACTING CHAPTER 9.06 (IMITATION WEAPONS) OF TITLE 9 (PUBLIC PEACE, MORALS AND WELFARE) OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING PROHIBITION OF IMITATION WEAPONS.

- 14. <u>SPECIAL CITY COUNCIL MEETING MINUTES FOR AUGUST 18, 2004</u> *Action: Approved the Minutes as written.*
- 15. SPECIAL CITY COUNCIL MEETING MINUTES FOR AUGUST 25, 2004

 Action: Approved the Minutes as written.
- 16. SPECIAL CITY COUNCIL MEETING MINUTES FOR AUGUST 25, 2004 COYOTE VALLEY SPECIFIC PLAN WORKSHOP

 Action: Approved the Minutes as written.

City Council and Redevelopment Agency Action

CONSENT CALENDAR:

Action: On a motion by Council/Agency Member Tate and seconded by Council/Agency Member Carr, the City Council/Agency Board, on a 4-0 vote with Council/Agency Member Chang absent, Approved Consent Calendar Items 17 & 18 as follows:

- 17. JOINT SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES FOR AUGUST 18, 2004

 Action: Approved the Minutes as written.
- 18. JOINT REGULAR REDEVELOPMENT AGENCY AND SPECIAL CITY COUNCIL MEETING MINUTES FOR AUGUST 25, 2004

 Action: Approved the Minutes as written.

Redevelopment Agency Action

CONSENT CALENDAR:

Council Member Carr requested that item 19 be removed from the Consent Calendar.

19. MORGAN HILL DOWNTOWN ASSOCIATION (MHDA) REQUEST FOR PROPERTY BASED IMPROVEMENT DISTRICT (PBID) FUNDING

Agency Member Carr noted that staff report suggests that if the effort to form a PBID or another assessment structure is not successful, there would not be a requirement to repay the loan. He expressed concern that this may be a "disincentive" or an "incentive for defeat." He referred to page 179-b of the

City of Morgan Hill Joint Special & Regular City Council and Special Redevelopment Agency Meeting Minutes – September 1, 2004 Page - 7 –

agenda packet; the implementation schedule. He felt that the repayment of the loan and forgiving parts of the loan could be tied to the implementation schedule so that the City has a way of providing incentives for success instead of incentives for failures. He recommended that at each step, a certain percentage or dollar amount is taken off the loan. This would allow a certain percentage of the loan to be forgiven, stepping down the percentage in order to provide an incentive to a successful PBID.

Agency Member Tate said that it was his understanding that the loan would be repaid when the PBID goes into affect. He inquired whether Agency Member Carr was suggesting relief from the loan, even if the PBID is successful.

Agency Member Carr stated that it was his understanding from the structure of the loan that should the MHDA go through the process and are not successful in passing the PBID, the City will forgive the loan. This would result in the City being out \$40,000 and the City would not have a property based improvement district for the downtown. He recommended that the City loan the MHDA \$40,000 and provide them incentives for success. If the MHDA meets different milestones, going through the process, the City will forgive portions of the loan in increments as they move toward. It is his hope that the MHDA gets to a point where there will be a successful PBID and a successful way for the Downtown Association to fund themselves.

Agency Member Tate did not believe that the MHDA will be able to repay the loan.

Agency Member Carr noted that the MHDA has a due structure in place and ways to generate dollars at this time. Should certain milestones be achieved, he recommended that a certain portion of the loan be forgiven.

Vice-chairman Sellers stated that Downtown Association met today, indicating that a representative from the Downtown Association was in attendance who could elaborate on the discussions. He felt that Agency Member Carr's suggestion has merit and that the Agency Board may wish to consider it. He pointed out that there is a significant incentive for the Downtown Association to proceed and to successfully implement a PBID. He noted that the Agency Board has stated that it would fund the Downtown Association for a number of years with the understanding that at some point in time it would develop a property tax base or business improvement district in order to be self reliant. He felt that the Downtown Association understands this point and that the Agency Board has made it clear, through its actions and comments that should the business improvement district fail, and the likelihood of receiving continued funding from the City would diminish significantly.

Director of Business Assistance and Housing Services Toy requested clarification on Agency Member Carr's proposal. He inquired whether it was the concept that the Agency Board would forgive portions of the loan if the Downtown Association met certain milestones. However, if they were unsuccessful, that portion of the loan would have to be repaid. Should the Downtown Association be successful, would the City forgive the entire loan or would they still have to repay a portion of the loan?

Agency Member Carr said that the concept of rewarding failure is opposite to what the Agency Board should be doing. He was not sure what portion of the loan should be forgiven. He would like the Agency

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Board, as it moves forward with this item and economic development efforts, to provide incentives for success instead of failures. He supported the approval of the recommended action in order to allow the Downtown Association to move forward. If there are loan terms that need to be worked out, the Agency Board can do so at a later date.

Chairman Kennedy supported Agency Member Carr's suggestion. He stated that he would not be willing to support the recommended action unless a vote is taken by the downtown merchants. If merchants do not want to be a part of the BPID, he would like to know this fact. If the Council is to authorize funding, he wants the process to be taken all the way to a vote.

Chairman Kennedy opened the floor to public comment.

Dan Craig indicated that there is a step in the PBID process where there is a ballot process before the PBID is finalized. He said that the first major step in the process is to develop a management/business plan. It is important to prepare all of the information into a draft document. He indicated that a draft of the document is proposed to be completed in December 2004 with a final document to be completed in late January 2005. He stated that the entire process is arrived through: a participatory process, focused groups, one-on-one meetings, public forums, etc. This process gives you a sense of buy in from all of the potential assesses. He indicated that before it gets to the ballot stage, it is incumbent upon the PBID steering committee to petition over 51% of the potential assesses to vote in support of the PBID. He stated that the group is moving forward confidently based on the make up of the steering committee who are the core supporters of the PBID and significant property owners in the downtown. He stated that the PBID cannot move forward without a majority petition support, including the balloting process of the potential assesses in the district. He said that these are all legal steps in the process that have to be adhered to. He clarified that a vote will be taken to determine support of the PBID. He indicated that he has conducted a preliminary look at the potential possibilities. He said that the Downtown Association and a core group of the steering committee understands that it has an incentive to pass the PBID as it is a fight for their survival. Therefore, there is a built in incentive to succeed.

No further comments were offered.

Agency Member Tate felt that Agency Member Carr raised a good suggestion. He would support waiving half of the loan should the Downtown Association be successful in the formation of a PBID.

Acting City Attorney McClure said that should the Downtown Association not get to the balloting process, he did not believe that the Downtown Association would be spending the entire \$40,000 loan.

Director of Business Assistance and Housing Services Toy clarified that a portion of the \$40,000 loan includes the balloting process, hearings, petition preparation, consulting fees, marketing for the PBID process, and possible legal fees. However, it may be that the City may review the PBID for compliance with Proposition 218. He stated that there may be a possibility that the Downtown Association may not spend all of the \$40,000.

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Agency Member Carr said that his interest in this is not specific to this agenda item. He felt that the City needs to change the framework of how it structures loan/incentives in the future; thinking about successes rather than the other way around. He supported simplifying the action in order to move the item forward this evening.

Action:

On a motion by Agency Member Carr and seconded by Agency Member Tate, the Agency Board, on a 4-0 vote with Agency Member Chang absent, <u>Authorized</u> the Executive Director to Negotiate and Execute a Loan Agreement, Subject to Agency General Counsel Review and Approval, with the Morgan Hill Downtown Association (MHDA) in an Amount not to Exceed \$40,000 for Consulting Services Needed to Assist with the Formation of a Property Based Improvement District (PBID) with the stipulation that half of the loan does not need to be repaid upon the success of the BPID balloting.

City Council Action

PUBLIC HEARINGS:

20. ZONING AMENDMENT, ZA-04-07: DIGITAL-VENTURE PROFESSIONAL CENTER (Continued from 8/18/04) – *Ordinance No. 1694, New Series*

Planning Manager Rowe presented the staff report, indicating that the Council approved a mitigated negative declaration for this project on August 18, 2004. However, the Council continued the zoning amendment ordinance to this evening's meeting, directing staff to make amendments to the ordinance in response to public comments received by representatives of the DePaul Health Center. He indicated that the DePaul Health Center representatives expressed concern over the establishment of an MRI facility on this site. He informed the Council that the amended ordinance incorporates the changes as directed by the Council.

Mayor Kennedy opened the public hearing.

Brian Kelley, Venture Corporation, requested clarification on the permitted uses. He indicated that in the medical portion of the development, it does not specifically state that medical testing labs are permitted. He informed the Council that a lab will be proposed where blood testing will occur and requested that the City allow this activity as a permitted use.

Planning Manager Rowe indicated that medical testing labs are currently permitted uses under the existing zoning and that it will be permitted under the proposed zoning amendment.

Mr. Kelley noted that it is being stated that medical/dental, research, experimental, film and testing laboratories shall include only those facilities where analysis testing is completed with no patient contact involved. He indicated that patients come to the lab to give blood samples.

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Planning Manager Rowe said that the uses he referred to are ones where the samples are received by the laboratory from the medical office of the medical practitioners. He clarified that if it is a type of use where an individual would go to the site to have the blood sample taken on the premise for testing, this would fall under the medical office use which is part of this amendment. He stated that having the samples sent or taken at the laboratory would be permitted.

No further comments being offered, the public hearing was closed.

Action: On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the

City Council on a 4-0 vote with Council Member Chang absent, Waived the First and

Second Reading of Ordinance No. 1694, New Series.

Action: On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the

City Council <u>Introduced</u> Ordinance No.1694, New Series, by Title only as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1474, N.S., AMENDING THE LIST OF PERMITTED USES FOR DIGITAL ISLAND OF THE MORGAN HILL RANCH BUSINESS PARK TO ALLOW GENERAL OFFICE USES AND UP TO 40,000 SF OF MEDICAL/DENTAL OFFICE USES (APNs 726-25-080 thru -082) (ZA-04-07: DIGITAL - VENTURE PROFESSIONAL CENTER), by the following roll call vote: AYES: Carr, Kennedy, Sellers, Tate; NOES: None; ABSTAIN:

None; ABSENT: Chang.

21. <u>ANNEXATION APPLICATION, ANX-03-02: DEWITT-MARRAD</u> – Resolution No. 5840

Planning Manager Rowe presented the staff report, recommending that the Council adopt a resolution that would provide for the annexation of 2.11 acres. He informed the Council that the annexation will be conducted in two phases and that the action before the Council is for the 2.11 acres and not the entire four acres. Therefore, the Council has been provided an amended exhibit that depicts the 2.11 acres and the revised property description to match this acreage.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

<u>Action:</u> On a motion by Council Member Tate and seconded by Mayor Pro Tempore Sellers, the

City Council, on a 4-0 vote with Council Member Chang absent, <u>Adopted</u> Resolution No.

5840, Approving the Annexation.

City Council Action

OTHER BUSINESS:

22. WATER CONSERVATION PLANNING ACTIVITIES

City of Morgan Hill Joint Special & Regular City Council and Special Redevelopment Agency Meeting Minutes – September 1, 2004 Page - 11 –

Programs Administrator Eulo presented the staff report, informing the Council that staff has come up with a plan for two months of activities that will cause an increase in water conservation activities. He informed the Council that the purpose of this item is to check with the Council to make sure that staff is proceeding with the water conservation activities that should be pursued prior to investing a lot of time, resources, and public outreach. He walked the Council through the proposed six water conservation planning activities.

1. Develop a water conserving rate structure for landscape accounts. It appears that the best way to proceed with this activity is to set up a water budget for each landscaped area that has a landscape account. It was noted that the City has approximately 500 landscape accounts. If is felt that you can get a sense of how much water is demanded by landscaping, setting up a budget for the site. This activity would give each customer an incentive to have their irrigation in line with the weather. It is felt that this activity appears to be the fairest and most scientific way to establish rates that escalate.

Mayor Kennedy felt that this was an excellent approach to recognizing the uniqueness of homeowners associations and developments that have large amount of landscaping that need to be addressed.

2. An ordinance that requires new large landscape development to come in with a water efficient landscape design from the onset. Staff does not believe that the ordinance would have an impact on the City's current Measure C guidelines/criteria. If mandated, it would not make sense to award Measure C points. On the other hand, if a developer is proposing something extra beyond the ordinance, the points could be left in. Staff recommended that the Residential Development Control System committee review the ordinance.

Council Member Carr noted that the staff report states that the City's current guidelines encourage water efficient landscaping. He noted that the City's encouragement of water efficient landscaping has been unsuccessful.

Mr. Eulo stated that if you drive through certain business parks in town, you can see that the encouragement of water efficient landscaping has not been successful, resulting in a vast amount of turf taking up a lot of City water.

3. Require new multi family buildings to have meters, each resident paying for their own water use. A separate water account would be established for each unit. Staff noted that this requirement would add some cost to the development of the building. Staff indicated that most of the City's market rate newer multi family structures have installed separate meters for each residence. However, affordable projects have not incorporated these measures. Staff stated that a new study has been released that shows that in units that have some metering, 15% less water is used.

Mayor Pro Tempore Sellers said that he understands the concept that there would be water savings with multi family unit metering. However, he felt that this would be predicated on the fact that every unit would have to pay their own water and that users will become efficient in their water use. If the landowner is required to pay for the water for all units, it would defeat the purpose. He stated that it makes sense and would work if each unit would be paying for their own water. However, if you do so in

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low income projects, the City would be passing on a cost that may otherwise be borne elsewhere. He felt that the City should give thought to making this a structure and yet make it feasible. He recommended that in addition to the requirement for the installation of individualized meters, the City conduct an educational program as well.

4. Demonstration water conservation garden. Staff informed the Council that the City has a landscape architect under a small preliminary contract to design a demonstration water conservation garden that will take over a portion of turf at city hall, reducing water waste and labor. If supported, staff will be returning to the Council for funding.

Mayor Kennedy inquired whether staff has spoken with the Santa Clara Valley Water District (SCVWD) about the possibility of partnering with them on a demonstration water conservation garden as they may have some money for this purpose.

Mr. Eulo responded said that he has spoken with SCVWD staff who have indicated that they are willing to participate, financially, after the City completes the preliminary design and have some idea as to the amount of money that will be needed to construct the garden.

Mayor Pro Tempore Sellers stated that the proposed location of a demonstration water conservation garden at City Hall is not as visible to the public as other areas. He noted that the City has a pocket park located south of Second Street that was set up partly as a zero scape landscaping area. If there are sufficient resources, he recommended that this program be extended to this park, including signage that identifies the park as a demonstration water conservation garden.

Mr. Eulo informed the Council that staff has other sites in mind that would be appropriate areas for a water conservation garden (e.g., the library site).

City Manager Tewes indicated that another site being contemplated is the connection pathway from the County Courthouse to the downtown. He stated that the County has value engineered out a lot of the amenities that would otherwise have been installed. He felt that a demonstration garden could be implemented in a way that would pursue the City's values for water conservation.

Mayor Kennedy said that one part of the aquatics center area has turf and that underground irrigation has been installed. He felt that this is another alternative that could be considered for conserving water. Instead of using sprinklers which evaporate and waste water, you can design underground sprinkler heads.

5. Retrofit at resale ordinance. It is proposed that when a homeowner sells a house, there be a requirement to have modern, low flow toilets and aerators on the facets installed.

Mayor Pro Tempore Sellers expressed concern that you may have a situation where a homeowner does not have the economic resources to retrofit at time of sale. However, he noted that low flow toilets and aerators are available through incentive programs. He did not want to place an extra burden on individuals. He felt that low flow toilets and aerators are fairly low cost items and that with the cost of

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housing prices; it would be a fraction of the cost. He recommended that the City encourage these actions but that it be done in a way that does not create an undo burden for someone who has limited means.

6. Economic incentive program. This program proposes that the City make a pool of money available to large landscape owners and eventually to homeowners for landscaping and retrofits. This would include installation of water efficient irrigation as well as ripping up turf and installing water-wise plants. It is proposed that this would be a revolving loan fund where individuals would pay back the loan based on the reduction in water bills. He informed the Council that the State has a grant program application (Proposition 50) that is due by October 2005. He intends to return to the Council to request authorization to apply for the grant. This may result in a 50% State money and 50% city water fund money that would seed this economic incentive program in order to make the funds available.

Mayor Kennedy stated that staff prepared an excellent report.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Action: The Council <u>received</u> the report. <u>No action</u> was taken.

23. REPORT OF THE LEGISLATIVE SUBCOMMITTEE

Mayor Pro Tempore Sellers presented the Council's Legislative Subcommittee Report, offering the following recommendations:

League of California Cities Annual Conference Resolutions – Take no action.

Wireless Telecommunication Ordinance – Refer the ordinance to the Economic Development subcommittee and determine whether there would be anything that would make the City becomes more difficult to become a wireless city. If so, how they can be mitigated before going through the extensive legal process of instituting a proposed ordinance.

Statewide Propositions – There are a number of propositions on the ballot, some of which impact the community, none more so than Proposition 1A. This is a proposition that will have direct financial impacts on cities. Cities are facing significant cutbacks due to the actions taken by the State. This proposition will help to provide economic stability for cities in the long term. It is recommended that the Finance & Audit Committee review the specifics of Proposition 1A and report back to the Council as to the specifics. The Legislative Subcommittee believes that Proposition 1A should be supported by the City but recommend that there be further review before supporting it.

Mobile Home Rent Review – There is a court case that is currently before the State Supreme Court. The League of California Cities has joined in the lawsuit, filing an amicus brief. By doing so, the League is representing all Cities in California. It is being recommended that the City Manager investigate whether there are any other actions that can be taken to express the City's support of this. He indicated that the City is listed as a supporter through the amicus brief.

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Senate Bill 1056, Superstore Retailers – This is a legislative process that would require an economic impact report be prepared before cities would approve superstore retail projects. It is felt that in concept, there is merit to this bill. The Legislative Subcommittee is concerned about the specific impacts it might have on some projects that are just getting underway in Morgan Hill. It is being recommended that the Economic Development subcommittee review this bill and determine whether there are any specific concerns that might impact the City's economic development.

Council Member Tate referred to Senate Bill 1056, noting that the bill is on the Governor's desk at this time. He did not understand the recommendation that additional study be conducted.

Council Member Carr responded that the Legislative Subcommittee did not know, in its review of Senate Bill 1056, how the bill will impact Morgan Hill, economically. On its face, it appears to be a good bill or a good requirement to implement. However, it is not known how this bill would affect Morgan Hill specifically. He said that it may be that the City may not be able to analyze the bill as the Governor could act upon it upon his return from New York.

Mayor Pro Tempore Sellers felt that there could be some actions that the City might want to undertake should the Governor veto the bill. However, it was felt that the economic impacts should be analyzed before taking actions.

Council Member Tate indicated that he learned about Senate Bill 1161 over the weekend. This bill proposes to allocate \$600 million to library construction; \$300 million of which would be allocated to unsuccessful round three applications of Proposition 14 funding. He indicated that this bill passed the assembly and the senate and that it is on the Governor's desk. It has been indicated that the Governor's finance department has recommended against signing this bill. He indicated that he intends to correspond with the Governor and that it was his hope that other members in the public would do so as well as receiving funding would be a boon to Morgan Hill. He clarified that he was not asking for the Legislative Subcommittee to review or make a recommendation but that he was asking those members of the public who want to make an appeal to the Governor and help in the expansion of the City's library, to do so within the next week or so.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Action: On a motion by Council Member Tate and seconded by Mayor Kennedy, the City Council, on a 4-0 vote with Council Member Chang absent, <u>accepted</u> the report and recommendations of the Legislative Subcommittee.

City Council and Redevelopment Agency Action

OTHER BUSINESS:

24. REVIEW OF CITY COUNCIL AND REDEVELOPMENT AGENCY'S NOVEMBER, DECEMBER, AND JANUARY MEETING SCHEDULE

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City Clerk/Agency Secretary Torrez presented the staff report.

Mayor Pro Tempore/Vice-chairman Sellers offered the following meeting schedule: Cancel the November 24 meeting. If a 3rd meeting in November is required, that it be scheduled for November 10. Cancel the December 22 meeting, scheduling a meeting on December 8, if necessary. Cancel the January 5, 2005 meeting, scheduling a special meeting on January 12, 2005 as staff will not be able to prepare an agenda for the January 5, 2005 meeting due to the furlough.

Mayor/Chairman Kennedy concurred with Mayor Pro Tempore/Vice-chairman Sellers' recommendation regarding the November 2004 and January 2005 changes. He indicated that the Council and/or Redevelopment Agency could meet on December 22 versus canceling this meeting.

Mayor Pro Tempore/Vice-chair Sellers indicated that the Council/Agency Board could meet on December 22. He noted that in December, the Council will have at least one new councilmember elected. He did not know whether there would be lighter load that time of year or what impact this would have. He recommended that the Council not meet on December 22 and schedule a special meeting on December 8, if necessary.

Council/Agency Member Tate supported Mayor Pro Tempore/Vice-chairman Sellers' suggested meeting schedule.

City Manager Tewes informed the Council that it has been the Council's practice to have an annual goal setting session in mid-January or so on a Friday and Saturday. He noted that the Council's reorganization will more than likely take place on the first meeting in December. The Council may wish to discuss the scheduling of the 2005 goal setting session with the new City Council. He requested that the Council give thought to a good time to set aside for the goal setting session.

Mayor Pro Tempore Sellers recommended that staff come up with suggested dates for the goal setting session. This can be agendized for Council discussion in the first meeting in December.

Mayor/Chairman Kennedy and Council/Agency Member Carr indicated that they would concur with Mayor Pro Tempore Sellers recommended meeting date changes.

Action:

By consensus, the City Council/Agency Board <u>Agreed</u> to the following meeting schedule: November 3 (regular meeting), November 10 (special meeting, if needed), November 17 (regular meeting), November 24 meeting cancelled; December 1 (regular meeting), December 8 (special meeting, if needed), December 15 (regular meeting), December 22 meeting cancelled; January 5, 2005 meeting cancelled, January 12 (special meeting, January 19 (regular meeting), and January 26 (regular RDA meeting).

RECONVENE TO CLOSED SESSION

Mayor/Chairman Kennedy reconvened the meeting to Closed Session at 8:15 p.m.

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RECONVENE

Mayor/Chairman Kennedy reconvened the meeting at 8:42 p.m.

CLOSED SESSION ANNOUNCEMENT

Acting City Attorney/Agency Counsel McClure announced that no reportable action was taken in closed session.

FUTURE COUNCIL-INITIATED AGENDA ITEMS

No items were identified.

ADJOURNMENT

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 8:43 p.m.

MINUTES RECORDED AND PREPARED BY:

IRMA TORREZ, CITY CLERK/AGENCY SECRETARY



CITY COUNCIL STAFF REPORT MEETING DATE: September 15, 2004

Street Name Change: Saint Louise Dr. to DePaul Dr. RECOMMENDED ACTION(S):

Open/close Public Hearing Adopt Resolution approving the street name changes.

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The Council is asked to consider the renaming of the existing street known as Saint Louise Dr. to DePaul Dr. The reason for the proposed street name change is the reopening of the existing hospital site as the "DePaul Health Center". The

Prepared By:

Senior Planner

Approved By:

Planning Manager

Submitted By:

City Manager

Agenda Item # 15

previous name of the hospital (Saint Louise) has been applied to a hospital site in Gilroy. The DePaul Health Center in Morgan Hill on a street with the same name as the hospital in Gilroy may create some confusion. The rename of the current Saint Louise Dr. in Morgan Hill would eliminate any potential for confusion and provide the health center with a street name that will assist the public in identifying its location.

Currently there are three buildings addressed from Saint Louise Dr. as it extends south from Cochrane Rd. Each of the buildings is part of the current health center campus. Saint Louise Dr. currently terminates at the south end of the health center site. A recorded (but not improved) section of Saint Louise Dr. also exists north of Half Rd. The proposed rename of the street would also cover both the improved and the recorded section of the street.

The City's street name policy indicates a "Mission" theme for the area within the south east quadrant of the intersection of Highway 101 and Cochrane Rd. The Mission theme has been applied within the Mission Ranch project as a California Mission theme with names such as Mission Avienda, San Antonio, and Santa Inez.

The name DePaul comes from the name of the patron saint, Saint Vincent de Paul. Saint Vincent de Paul founded the Congregation of the Daughters of Charity (owners of the site) and the Congregation of the Mission. The Congregation of the Mission is a Roman Catholic Apostolic community of Priests and Brothers who follow Jesus Christ, focusing on the needs of the poor. The proposed name "DePaul," is a variation on the "mission" street name theme but it technically complies because of Saint Vincent DePaul's founding the Congregation of the Mission.

Staff finds the proposed street rename will eliminate potential confusion for the public trying to find the health center site; and the proposed street name is consistent with the City's Street Name policy. Therefore staff recommends City Council approval of the proposed name change. A map showing the location of the street name change has been attached for the Council reference.

FISCAL IMPACT:

No budget adjustment required.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL CHANGING THE NAME OF SAINT LOUISE DRIVE TO DEPAUL DRIVE.

WHEREAS, such request was considered by the City council at their regular meeting of September 15, 2004, at which time the Council approved the reassignment of the name for the existing street known as Saint Louise Drive and the proposed Saint Louise Drive; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

SECTION 1. The approved street name changes are consistent with the City Street Name Program and the General Plan.

SECTION 2. The name changes are exempt from CEQA under Section 15378.

SECTION 3. The street name DePaul Drive south of Cochrane Rd. and north of Half Rd. as shown on the attached exhibit "A", adopted herein shall become effective on October 15, 2004.

SECTION 4. The deleted and newly adopted street name is as follows:

- 1. The street currently known as Saint Louise Drive, located on the south side of Cochrane Avenue, shall be known as DePaul Drive.
- 2. The street currently shown as Saint Louise Drive on Parcel Map # 669, to be constructed on the north side of Half Rd, shall be known as DePaul Drive.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 15th Day of September, 2004 by the following vote.

AYES: COUNCIL MEMBERS: NOES: COUNCIL MEMBERS: ABSTAIN: COUNCIL MEMBERS: COUNCIL MEMBERS:

City of Morgan Hill Resolution No. Page 2

***** CERTIFICATION *****

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No., adopted by the City Council at a Regular Meeting held on September 15, 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE:	
	IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: September 15, 2004

GENERAL PLAN/ZONING AMENDMENT APPLICATIONS, GPA-04-05/ZA-04-11: COCHRANE - TBI

RECOMMENDED ACTION(S):

- 1. Open/close Public Hearing
- 2. Approve Mitigated Negative Declaration
- 3. Adopt the General Plan Amendment Resolution
- 4. Waive the First and Second Reading of Zoning Amendment Ordinance
- 5. Introduce Zoning Amendment Ordinance

Agenda Item # 16
Prepared By:
Associate Planner
Approved By:
Planning Manager
Submitted By:
City Monagor
City Manager

EXECUTIVE SUMMARY: The applicant is requesting to amend the General

Plan and Zoning designations for a 7.72-acre site at the northwest corner of Cochrane Rd and Madrone Pkwy to Commercial and Planned Unit Development (PUD), respectively. The current land use and zoning designations are Industrial and ML, Light Industrial. The PUD is proposed to include a variety of commercial uses including but not limited to a grocery store, drug store, retail uses, restaurants and offices (please refer to the applicant's Letter of Justification for a complete list of proposed uses). If approved, the proposed commercial development would generate sales tax revenue for the City. However, it would also contribute to the cumulative loss of vacant industrial land in the City.

The Planning Commission reviewed the applicant's request on August 10 and August 31, during which time discussion centered largely on traffic mitigation and appropriate uses for the PUD. Traffic issues were resolved prior to the August 31 meeting. With respect to proposed uses, Staff recommended that the PUD be limited to uses that are supportive of the industrial business parks, thus restricting certain retail uses and excluding a grocery store and drug store. Staff also recommended that medical, dental and/or health related services be excluded from the permitted office uses and that day care/nursery schools and commercial recreation be identified as conditional uses. The applicant requested changes to the Staff-recommended uses as identified in the attached Exhibit B, and also clarified that the proposed medical, dental and/or health related services would include only those uses that contained a retail component (e.g. Lens Crafters).

The Commission unanimously recommended approval of the General Plan and Zoning Amendment requests consistent with Staff's recommendations, with the exception that a specialty grocery store (up to 15,000 sf in size) be included as a permitted use. A 15,000-sf specialty grocery store would allow franchises such as Trader Joe's to locate in the PUD. A drug store was not recommended for approval given the abundance of this type of use within the City (including Target located across the street), and also given that the specialty grocery store could include a small pharmacy. Medical, dental, and/or health related services were not identified as appropriate permitted uses for the PUD, but could be considered on a case-by-case basis as a conditional use. Retail uses such as Lens Crafters would fall under the permitted retail stores. For the Council's reference, copies of the August 10 and August 31 Commission staff reports are attached, as well as the draft minutes from the August 10 meeting. Staff recommends approval of the mitigated Negative Declaration and ordinances as attached to this report.

FISCAL IMPACT: None. Filing fees were paid to the City to cover the cost of processing these applications.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING GENERAL PLAN AMENDMENT GPA-04-05: COCHRANE – TBI, CHANGING THE GENERAL PLAN LAND USE DESIGNATION FROM INDUSTRIAL TO COMMERCIAL ON A 7.72-ACRE PARCEL LOCATED AT THE NORTHWEST CORNER OF COCHRANE RD AND MADRONE PKWY IN THE MADRONE BUSINESS PARK (APN 726-33-028)

WHEREAS, such request was considered by the City Council at their regular meeting of September 15, 2004, at which time the City Council approved application GPA-04-05: Cochrane - TBI; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

- **SECTION 1.** The General Plan Amendment is consistent with the provisions of the General Plan.
- **SECTION 2.** An environmental initial study has been prepared for this application, and has been found complete, correct and in substantial compliance with the requirements of the California Environmental Quality Act. A mitigated Negative Declaration will be filed.
- **SECTION 3.** The City Council hereby approves a General Plan Amendment to change the land use designation from Industrial to Commercial on a 7.72-acre parcel, as shown on attached Exhibit 'A'.
- **SECTION 4.** Future development of the General Plan Amendment area shall comply with the mitigation measures of the approved mitigated Negative Declaration. Should future uses be proposed that would generate vehicle trips beyond what was analyzed in the project traffic study, a supplemental traffic analysis shall be required.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 15th Day of September, 2004 by the following vote.

AYES: COUNCIL MEMBERS: NOES: COUNCIL MEMBERS: ABSTAIN: COUNCIL MEMBERS: COUNCIL MEMBERS:

***** CERTIFICATION *****

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No., adopted by the City Council at a Regular Meeting held on September 15, 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE:	
	IRMA TORREZ, City Clerk

ORDINANCE NO., NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE ZONING DESIGNATION FROM ML, LIGHT INDUSTRIAL TO PLANNED UNIT DEVELOPMENT FOR A 7.72-ACRE PARCEL LOCATED AT THE NORTHWEST CORNER OF COCHRANE RD AND MADRONE PKWY IN THE MADRONE BUSINESS PARK (APN 726-33-028)(ZA-04-11: COCHRANE - TBI)

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

- **SECTION 1.** The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.
- **SECTION 2.** The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.
- **SECTION 3.** An environmental initial study has been prepared for this application and has been found complete, correct and in substantial compliance with the requirements of California Environmental Quality Act. A mitigated Negative Declaration will be filed.
- **SECTION 4.** The City Council hereby approves an amendment to the zoning designation from ML, Light Industrial to Planned Unit Development for a 7.72-acre parcel, as shown on the attached zoning plat (Exhibit A).
- **SECTION 5.** Prior to an application for any further entitlement, the property owner shall obtain approval of a precise development plan for the subject property. A precise development plan and PUD Guidelines are not required at this time as future uses have not yet been identified. Creating a PUD overlay zoning district will enhance the marketability of the site to attract the most desirable uses for the City.
- **SECTION 6.** Future development of the 7.72-acre site shall comply with the development standards of Chapter 18.30, PUD Planned Unit Development District, of the Morgan Hill Municipal Code in effect at time of project approval.
- **SECTION 7.** Future development of the 7.72-acre site shall comply with the mitigation measures of the approved mitigated Negative Declaration. Should future uses be proposed that would generate vehicle trips beyond what was analyzed in the project traffic study, a supplemental traffic analysis shall be required.

City of Morgan Hill Ordinance No. ,New Series Page 2

- **SECTION 8.** Permitted uses within the PUD shall be supportive of the neighboring industrial business parks and compatible with the surrounding built environment, as identified in the attached Exhibit B.
- **SECTION 9.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.
- SECTION 10. Effective Date; Publication. This Ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 15th Day of September 2004, and was finally adopted at a regular meeting of said Council on the 6th Day of October 2004, and said ordinance was duly passed and adopted in accordance with law by the following vote:

Irma Torrez	, City Clerk	Dennis Kennedy, Mayor	
ATTEST:		APPROVED:	
ABSENT:	COUNCIL MEMBERS:		
ABSTAIN:	COUNCIL MEMBERS:		
NOES:	COUNCIL MEMBERS:		
AYES:	COUNCIL MEMBERS:		

EXECUTE OF THE CITY CLERK (3)

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No., New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 6^{th} Day of October 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE:	
	IRMA TORREZ, City Clerk

EXHIBIT B NEW MADRONE PLANNED UNIT DEVELOPMENT

Permitted Uses

- Retail stores supportive of the neighboring industrial business parks
- Restaurants
- Offices and Professional Offices, excluding medical, dental and/or health related services
- Financial Services
- Personal Services
- Business and trade schools
- Specialty grocery store, not to exceed 15,000 sf

Conditional Uses

- Day care centers/nursery schools
- Commercial Recreation
- Drive-thru uses
- Any other use which the Planning Commission finds to be of similar nature to the permitted uses and conditional uses specified above



CITY COUNCIL STAFF REPORT

MEETING DATE: September 15, 2004

GENERAL PLAN/ZONING AMENDMENT APPLICATIONS, GPA-04-03/ZA-04-09: BUTTERFIELD – SOUTH VALLEY DEVELOPERS

RECOMMENDED ACTION(S):

- 1. Open/close Public Hearing
- 2. Approve Mitigated Negative Declaration
- 3. Adopt the General Plan Amendment Resolution
- 4. Waive the First and Second Reading of Zoning Amendment Ordinance
- 5. Introduce Zoning Amendment Ordinance

Agenda Item # 17
Prepared By:
Associate Planner
Approved By:
Planning Manager
Submitted By:
City Managan
City Manager

EXECUTIVE SUMMARY: The applicant is requesting to amend the General Plan land use designation and zoning designation of a 15.783-acre area at the southeast corner of Cochrane Rd and Monterey Rd to Multi-Family Medium and PUD, R3 Medium Density Residential, respectively. The current land use and zoning designations are Industrial and PUD, Research and Development/Manufacturing.

The proposed project would contribute to the cumulative loss of vacant industrial land in the City. However, it would also create multi-family housing in compliance with General Plan policies and action statements. Currently, there are only 18.11 acres of vacant R3 zoned lands available in the city. The proposed amendment would almost double this figure. Development of the site will first require securing building allotments through the Measure C process. However, the applicant has developed preliminary development plans for the 15.78-acre site which includes construction of 258 dwelling units, or approximately 16 dwelling units per acre. A mix of apartments and townhomes are proposed which will provide housing opportunities for various sectors of the workforce (please refer to the attached preliminary plans).

The proposed development would be compatible with the surrounding land uses. Located directly to the northeast of the site is Cochrane Village, an affordable housing project consisting of approximately 100 apartment units. The proposed project will be designed to be compatible with the existing residential development, and will help to eliminate a residential island within an industrial business park. Future development of the site is anticipated to be consistent with the site development standards of the R3 zoning district, unless otherwise approved under a Residential Planned Development.

The Planning Commission reviewed the applicant's request at the August 10 meeting, and recommended approval of the General Plan and Zoning Amendment applications by a vote of 5-1, with the requirement that all defaults be cleared before allocations can be awarded and stressing the need for this type of housing in the City. The Commission also recommended approval of the mitigated Negative Declaration with elimination of certain traffic mitigation due to a lack of nexus to the project. Copies of the August 10 staff report and draft minutes are attached for the Council's reference. Staff recommends approval of the mitigated Negative Declaration and approval ordinances as attached to this report.

FISCAL IMPACT: None. Filing fees were paid to the City to cover the cost of processing these applications.



COMMUNITY DEVELOPMENT DEPARTMENT, PLANNING DIVISION

17555 Peak Avenue Morgan Hill CA 95037 (408) 779-7247 Fax (408) 779-7236 Website Address: www.morgan-hill.ca.gov

MITIGATED NEGATIVE DECLARATION

I. DESCRIPTION OF PROJECT:

Date: August 6, 2004 Application No.: GPA-04-03/ZA-04-09: Butterfield –

South Valley Developers

APN: 726-25-076 & -077

Address of Project: The project site is located at the southeast corner of Cochrane Road and

Monterey Road in the Morgan Hill Ranch Business Park.

Applicant: Scott Schilling

SOUTH VALLEY DEVELOPERS, INC.

16060 Caputo Drive, Suite 160

Morgan Hill, CA 95037

Project Description: The applicant is requesting to amend the General Plan land use

designation and zoning designation of a 15.783-acre area in the Morgan Hill Ranch Business Park to Multi-Family Medium and PUD, R3 Medium Density Residential, respectively. The current land use and zoning designations are Industrial and PUD, Research and

Development/Manufacturing.

II. DETERMINATION

In accordance with the City of Morgan Hill procedures for compliance with the California Environmental Quality Act (CEQA), the City has conducted an Initial Study to determine whether the proposed project may have a significant adverse effect on the environment. On the basis of that study, the City makes the following determination:

GPA-04-03/ZA-04-09: Butterfield – South Valley Developers Mitigated Negative Declaration

- The proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION is hereby adopted.
- Although the project, as proposed, could have had a significant effect on the environment, there will not be a significant effect in this case because mitigation measures have been added to the project, and, therefore, a MITIGATED DECLARATION is hereby adopted.

III. FINDINGS

Based on the findings of the Initial Study, the proposed project will not have a significant effect on the environment for the following reasons:

- 1. The project does not have the potential to significant degrade the quality of the environment, including effects on animals or plants, or to eliminate historic or prehistoric sites.
- 2. The project will not have any significant adverse impacts on traffic or land use.
- 3. The project will not generate significant adverse effects on the water, air quality, or increase noise levels substantially.
- 4. In addition, the project will not:
 - a. Create significant impacts which achieve short-term, to the disadvantage of long-term environmental goals.
 - b. Create impacts which are individually limited, but cumulatively considerable to a significant degree.
 - c. Create environmental effects which will cause significant adverse effects on human beings, either directly or indirectly.

IV. CONDITIONS:

Water

- W-1. The project shall include post-construction structural controls including Best Management Practices (BMP) for reducing contamination in stormwater runoff, such as swales, drop inlets, etc. (i.e., permanent features of the project).
- W-2. Construction practices shall include use of erosion control devices, including hay bales and/or Petromat, and on-site retention to minimize contamination of stormwater runoff.
- W-3. Whenever possible, dust-proof chutes shall be used for loading construction debris onto trucks.
- W-4. All trucks removing debris from the site shall be covered.

GPA-04-03/ZA-04-09: Butterfield – South Valley Developers Mitigated Negative Declaration

- W-5. Internal haul roads shall be paved, sealed or stabilized to control dust from truck traffic. Paved haul roads shall be regularly swept or cleaned to remove accumulated dust.
- W-6. The project shall implement regular maintenance activities including sweeping, cleaning stormwater inlets, and litter control at the site to prevent soil, grease, and litter from accumulation on the project site and contamination of surface runoff. Stormwater catch basins shall be stenciled to discourage illegal dumping.
- W-7. The applicant shall prepare a Storm Water Pollution Prevention Plan (SWPPP) (or, if a SWPPP has already been prepared, revise the SWPPP as necessary to reflect the current project) for the review and approval by the State Water Resources Control Board (SWRCB). The new or updated SWPPP shall be prepared by the project sponsors, who shall provide a copy to the City along with evidence of its approval by the SWRCB.

Air Quality

- AQ-1. Water all active construction areas at least twice daily.
- AQ-2. Water or cover stockpiles of debris, soil, sand or other materials that can be blown by the wind.
- AQ-3. Cover all trucks hauling soil, sand, and other loose materials or require all trucks to maintain at least two feet of freeboard.
- AQ-4. Pave, apply water three times daily, or apply (non-toxic) soil stabilizers on all unpaved access roads, parking areas and staging areas at construction sites.
- AQ-5. Sweep daily (preferably with water sweepers) all paved access roads, parking areas and staging areas at construction sites.
- AQ-6. Sweep streets daily (preferably with water sweepers) if visible soil material is carried onto adjacent public streets.
- AQ-7. Hydroseed or apply non-toxic soil stabilizers to inactive construction areas.
- AQ-8. Enclose, cover, water twice daily or apply non-toxic binders to exposed stockpiles (dirt, sand, etc.).
- AQ-9. Limit traffic speeds on unpaved roads to 15 mph.
- AO-10. Install sandbags or other erosion control measures to prevent silt runoff to public roadways.
- AQ-11. Replant vegetation in disturbed areas as quickly as possible.

<u>Transportation/Circulation</u>

- T/C-1. The applicant shall contribute traffic impact fees to the City of Morgan Hill for the project's incremental contribution to the city-wide traffic impact mitigations.
- T/C-2. Complete Jarvis Drive North between Monterey Road and Butterfield Boulevard, including curb, gutter and sidewalk across the project frontage.
- T/C-3. The project shall not include a project driveway along Cochrane Road between Monterey Road and Cochrane Circle.
- T/C-4. Add the south leg to the Cochrane Road/Cochrane Circle intersection. Provide two inbound lanes (one left/through and one through/right) and three outbound lanes (one left, one left/through, and one right) on the main north-south internal roadway south of Cochrane Road. Construct a left turn lane on the westbound Cochrane Road approach to Cochrane Circle and the new north-south internal street. Modify the existing traffic signal at the intersection as required to incorporate the new south leg of the intersection.
- T/C-5. Provide decorative pavement surfacing and/or raised intersections along the north-south internal roadway.
- T/C-6. Locate the new access roadway serving Cochrane Village at least 220 feet south of Cochrane Road
- T/C-7. Full frontage improvements shall be completed on Cochrane Road, including curb, gutter and sidewalk across the Cochrane Road frontage. Cochrane Road across the project frontage shall be widened to add an additional eastbound lane on Cochrane Road.

GPA-04-03/ZA-04-09: Butterfield – South Valley Developers Mitigated Negative Declaration

- T/C-8. The Butterfield Boulevard frontage shall be completed to provide a sidewalk across the project frontage.
- T/C-9. Construct median channelization on Butterfield Boulevard at Jarvis Drive North to prohibit left turn and through movements from the Jarvis Drive North approaches.
- T/C-10. Construct a second left turn lane on the westbound Cochrane Road approach to Butterfield Boulevard.

Biological Resources

- BR-1. A burrowing owl survey of the project site shall be conducted no more than 30 days prior to initial ground disturbance to ensure that there will be no "take" of Burrowing Owls in connection with the development of the project. If the preconstruction surveys demonstrate owl presence, then the applicant shall either (1) evict the owls from the site employing relocation techniques identified in the CDFG's staff guidance regarding Burrowing Owls, and collapse any actual or potential owl burrows; or, (2) if eviction cannot be accomplished outside of the breeding season, avoid occupied areas as set forth more fully in Section 3.2.4(a) of the Phase 2 Morgan Hill Ranch Business Park Burrowing Owl Report.
- BR-2. Prior to approval of any further entitlement, an arborist study shall be completed to evaluate the type, health and condition of existing trees. The study shall identify measures to protect any trees proposed to be retained, and the project applicant shall be subject to compliance with these tree protective measures. Removal of any tree shall be subject to compliance with Chapter 12.32 of the Morgan Hill Municipal Code, Restrictions on Removal of Significant Trees.

Noise

- N-1. The project applicant shall implement the following construction period measures to reduce construction noise impacts to a less than significant level:
 - (a) Based on the City of Morgan Hill Noise Ordinance, limit noise-generating construction activities, including truck traffic to and from the project site, to daytime hours (7:00 am to 8:00 pm) during normal weekdays and between 9:00 am and 6:00 pm on Saturdays. Prohibit activities on Sundays and federal holidays;
 - (b) Properly muffle and maintain all internal combustion engines for construction equipment used on the site; and
 - (c) Locate all stationary noise-generating construction equipment, such as air compressors, crushers, and portable power generators, as far as practical from existing residences.
- N-2. Prior to approval of any further entitlement, an acoustical study shall be completed for the proposed residential development. The acoustical study shall identify any measures necessary to ensure compliance with the City's maximum indoor and outdoor noise levels, and the project applicant shall be subject to compliance with these noise mitigation measures.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING GENERAL PLAN AMENDMENT GPA-04-03: BUTTERFIELD – SOUTH VALLEY DEVELOPERS, CHANGING THE GENERAL PLAN LAND USE DESIGNATION FROM INDUSTRIAL TO MULTI-FAMILY MEDIUM FOR TWO PARCELS TOTALING 15.78 ACRES IN SIZE, LOCATED AT THE SOUTHEAST CORNER OF COCHRANE RD AND MONTEREY RD IN THE MORGAN HILL RANCH BUSINESS PARK (APNs 726-25-076 & -077)

WHEREAS, such request was considered by the City Council at their regular meeting of September 15, 2004, at which time the City Council approved application GPA-04-03: Butterfield – South Valley Developers; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

- **SECTION 1.** The General Plan Amendment is consistent with the provisions of the General Plan.
- **SECTION 2.** General Plan Action Statement 1b-1 of the Housing Element calls for an amendment to the General Plan to accommodate additional R-3 zoning. The proposed project would comply with this action statement and fill a need for higher density multi-family housing within the City.
- **SECTION 3.** An environmental initial study has been prepared for this application, and has been found complete, correct and in substantial compliance with the requirements of the California Environmental Quality Act. A mitigated Negative Declaration will be filed.
- **SECTION 4.** The City Council hereby approves a General Plan Amendment to change the land use designation from Industrial to Multi-Family Medium for two parcels totaling 15.78 acres in size, as shown on attached Exhibit 'A'.
- **SECTION 5.** Future development of the General Plan Amendment area shall comply with the mitigation measures of the approved mitigated Negative Declaration.

City of Morgan Hill Resolution No. Page 2

SECTION 6. The applicant shall cure all defaults of any subdivision improvement agreement; development agreement, including but not limited to payment of assessments, penalties and interest; and/or any other agreements between the applicant and the City of Morgan Hill prior to the award and distribution of Measure C building allotments.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 15th Day of September, 2004 by the following vote.

AYES: COUNCIL MEMBERS: NOES: COUNCIL MEMBERS: ABSTAIN: COUNCIL MEMBERS: COUNCIL MEMBERS:

***** CERTIFICATION *****

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No., adopted by the City Council at a Regular Meeting held on September 15, 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE:	
	IRMA TORREZ, City Clerk

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE ZONING DESIGNATION FROM PUD, RESEARCH AND DEVELOPMENT/MANUFACTURING TO PUD, R3 MEDIUM DENSITY RESIDENTIAL FOR TWO PARCELS TOTALING 15.78 ACRES IN SIZE, LOCATED AT THE SOUTHEAST CORNER OF COCHRANE RD AND MONTEREY RD IN THE MORGAN HILL RANCH BUSINESS PARK (APNs 726-25-076 & -077)(ZA-04-09: BUTTERFIELD – SOUTH VALLEY DEVELOPERS)

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

- **SECTION 1.** The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.
- **SECTION 2.** The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.
- **SECTION 3.** An environmental initial study has been prepared for this application and has been found complete, correct and in substantial compliance with the requirements of California Environmental Quality Act. A mitigated Negative Declaration will be filed.
- **SECTION 4.** The City Council hereby approves an amendment to the zoning designation from PUD, Research and Development/Manufacturing to PUD, R3 Medium Density Residential for two parcels totaling 15.78 acres in size, as shown on the attached zoning plat (Exhibit A).
- **SECTION 5.** Prior to development of the 15.78-acre site, the project applicant shall first secure building allotments under the Residential Development Control System for the number of units proposed in the development.
- **SECTION 6.** Future development of the 15.78-acre site shall comply with the site development standards of the R3, Medium Density Residential District in effect at time of project approval, unless otherwise approved as part of a Residential Planned Development.
- **SECTION 7.** Future development of the 15.78-acre site shall comply with the mitigation measures of the approved mitigated Negative Declaration.

City of Morgan Hill Ordinance No. , New Series Page 2

- **SECTION 8.** The applicant shall cure all defaults of any subdivision improvement agreement; development agreement, including but not limited to payment of assessments, penalties and interest; and/or any other agreements between the applicant and the City of Morgan Hill prior to the award and distribution of Measure C building allotments.
- **SECTION 9.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.
- **SECTION 10.** Effective Date; Publication. This Ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 15th Day of September 2004, and was finally adopted at a regular meeting of said Council on the 6th Day of October 2004, and said ordinance was duly passed and adopted in accordance with law by the following vote:

111114 101162	•	OF THE CITY CLERK &
Irma Torrez	z, City Clerk	Dennis Kennedy, Mayor
ATTEST:		APPROVED:
ABSENT:	COUNCIL MEMBERS:	
ABSTAIN:	COUNCIL MEMBERS:	
NOES:	COUNCIL MEMBERS:	
AYES:	COUNCIL MEMBERS:	

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No., New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the $6^{\rm th}$ Day of October 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE:	
	IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT MEETING DATE: September 15, 200

MEETING DATE: September 15, 2004

ZONING AMENDMENT APPLICATION ZA 04-02: COCHRANE-ASSISTED LIVING CENTER

RECOMMENDED ACTION(S):

Open/close Public Hearing Waive the First and Second Reading of Ordinance Introduce Ordinance

EXECUTIVE SUMMARY: On July 21, the City Council approved the amended precise development plan for the DePaul Health Center PUD. The PUD amendment included the expansion of the PUD boundary to incorporate

two adjacent parcels and the addition of a 40-70 unit congregate care facility, 6050 sq. ft. childcare facility, a 94 unit assisted living facility, a 13,560 sq. ft. commercial office in addition to the existing medical facilities within the existing PUD.

As a condition of approval, the applicant was required to develop design guidelines for the entire PUD. The design guidelines are intended to establish development standards which will be applied to all future development and exterior remodels that will occur within the boundary of the DePaul PUD.

A design standards matrix has been developed which defines per parcel within the PUD, the allowed uses and site development standards such as setbacks, lot coverage and parking requirements. Architectural and landscape guidelines have also been completed which define minimum architectural standards and minimum landscape standards for the St. Louise Dr., Cochrane Rd. and Mission View Dr. PUD frontage.

The Architectural Review Board ARB, reviewed the proposed guidelines at their August 5 and August 19 meeting. The Board requested some modifications of the architectural guidelines to make them more specific on the types of architectural styles which would be more compatible with the existing hospital building. A copy of the Board staff reports and minutes are attached for the Council's reference. The attached standards and guidelines have been amended to incorporate all of the ARB's recommendations.

The application processing has been delayed due to the Commission's August vacation break. To accommodate the applicant's request to complete the application review process, Council's consideration of this item has been scheduled back-to-back with the Planning Commission's consideration. On September 14, 2004 the Planning Commission will be considering the guidelines and standards for the DePaul PUD. Staff will provide the City Council with an oral report of the Commission's September 14, recommendation.

FISCAL IMPACT: No budget adjustment required.

Agenda Item # 18
Prepared By:
Senior Planner
Approved By:
Planning Manager
Submitted By:
City Manager

ORDINANCE NO., NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A SET OF DEVELOPMENT STANDARDS AND ARCHITECTURAL GUIDE LINES FOR THE DE PAUL (FORMERLY SAINT LOUISE) HEALTH CENTER. (APNs 728-031-005, 006, 012 & 013)

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

- SECTION 1. AMENDING THE PLANNED UNIT DEVELOPMENT ZONING DISTRICT. This ordinance here by amends the precise development plan established under Ordinance No. 1689, New Series. The amendment is limited to the addition of the Design Standards and Architectural Guidelines attached hereto as Exhibit A and Exhibit B.
- **SECTION 2.** The incorporation of the design standards and architectural guidelines is consistent with the Zoning Ordinance and the General Plan since these standards and guidelines further define the DePaul precise development plan adopted under Ordinance No. 1689.
- SECTION 3. The zoning amendment is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code and to fulfill the design requirements within Section 18.30.050 of the Municipal Code.
- SECTION 4. An environmental assessment has been prepared for the zoning amendment and is deemed complete, correct and adequate in accordance with state and local environmental guidelines. Based upon said study, a Mitigated Negative Declaration has been filed.
- SECTION 5. The City Council finds that the proposed amendment of the Planned Unit Development Overlay District is consistent with the criteria specified in Chapter 18.30 of the Morgan Hill Municipal Code.
- SECTION 6. The City Council hereby approves of the Design Standards dated July 1, 2004, on file in the Community Development Department, entitled, "Design Standards, Paul Planned Unit Development (PUD)" as shown on the attached Exhibit A.
- SECTION 7. The City Council hereby approves of the Architectural Guidelines standard dated August 26, 2004, on file in the Community Development Department, entitled, "De Paul Planned Unit Development (PUD) Architectural Design Guidelines" as shown on the attached Exhibit B.

City of Morgan	Hill
Ordinance No.	, New Series
Page 2	

- **SECTION 8.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.
- **SECTION 9.** Effective Date; Publication. This Ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 15th Day of September 2004, and was finally adopted at a regular meeting of said Council on the 6th Day of October 2004, and said ordinance was duly passed and adopted in accordance with law by the following vote:

Irma Torrez	, City Clerk	Dennis Kennedy, Mayor	
ATTEST:		APPROVED:	
NOES: ABSTAIN: ABSENT:	COUNCIL MEMBERS: COUNCIL MEMBERS: COUNCIL MEMBERS:		
AYES:	COUNCIL MEMBERS:		

EXECUTE OF THE CITY CLERK CS

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No., New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the $6^{\rm th}$ Day of October 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE:	
	IRMA TORREZ, City Clerk

DE PAUL PLANNED UNIT DEVELOPMENT (PUD)

ARCHITECTURAL DESIGN GUIDELINES

Rev. August 26, 2004

1.0 Overview- The intent of the architectural guidelines is to establish criteria for appropriate site planning, architectural massing, scale, proportions and architectural character within the designated project area. The goal is to encourage development within the designated area that will enhance and maintain the overall architectural composition of the immediate area and that is reflective of the context and aesthetic identity of the greater Morgan Hill community. The guidelines are intended to encourage a cottage/craftsman architectural style. The intent is to establish criteria that will facilitate the successful implementation of a design but at the same time allowing for creativity and diversity of design responses.

2.0 Permitted Uses:

- a. Medical/hospital
- b. Medical offices
- c. Commercial offices
- d. Independent senior residential
- e. Congregate care facilities
- f. Assisted living facilities
- g. Skilled nursing facilities
- h. Child care facilities
- i. Commercial retail
- j. Ancillary Support Uses
- 3.0 Mass, Scale & Proportion- Building designs are encouraged to incorporate architectural design components that will create and support a pedestrian friendly scale that is complementary to the context of the existing community. Vertical and horizontal breaks in the perimeter building planes and the inclusion of appropriate architectural design features should be reflected in the building design. The scale and proportion of architectural features shall be reflective and appropriate to the specific style selected for a structure.
- 4.0 Architectural Style- Architectural styles shall reflect or be compatible with a cottage/ craftsman look that incorporates hip and gable roof forms, dormers, porches, balconies, wood trim and other architectural features.
- **4.1 Walls-** Uninterrupted building planes shall not exceed 800SF. A break in the building plane shall be defined as a break in the wall plane that exceeds 24 inches for a vertical height of not less than 8 ft. In lieu of a physical break in the wall plane, the design may incorporate any of the following architectural elements:
 - a. Balconies, terraces, and colonnades that have a minimum of 4 ft. of depth.
 - 4.1.a.1 Balconies and terraces shall incorporate wood railings and balusters. Min. dimension for railings shall be 4

inches high by 6 inches wide. Vertical balusters shall be a min. 2 inches x 2 inches.

- 4.1.a.2 Columns shall be of wood and shall either be square or round. Columns can be stained or painted.
- b. Trellis elements that are deemed visually significant.
 - 4.1.b.1 Trellises may incorporate either wood or metal design features. Columns supporting metal trellises shall be of wood with a minimum dimension of 5-1/2 inches x 5-1/2 inches.
- c. Porches that are a minimum of 5 ft. in depth

 4.1.c.1 Porches requiring railings shall adhere to the same
 standards established for balconies in 4.1.a.1
- d. Tower elements that are compatible with the overall building design provided they are a minimum of 10 ft. in width in any direction and have either gable or hipped roofs that compliment the overall design.
- **4.2 Roofs** Diversity is encouraged in the design of roofs, and roof elements. The following architectural features are encouraged:
 - a. Hip and gable roof designs
 - b. Dormers
 - c. Cupolas
 - d. Eyebrow windows
 - e. Clerestory windows
- 4.2A Roof Materials- Permitted roofing materials include:
 - a. Composition shingle (min. 30 year, 325 lb. per square material.
 - b. Flat concrete tile.
 - c. Clay tile (one piece tile or two piece tile)
- 4.2B Roof Details- All roofs shall be appropriately detailed to reflect the proportions, materials and architectural trim of the selected style. In the case of exposed rafters, the min. dimension shall be 4x8 (3-1/2 inches x 7-1/2 inches, at a max. spacing of 2 ft. on center. The min. overhang beyond the face of the building shall be 18". When fascia boards are installed, they shall be a min. of 7-1/2 inches in height and shall include adequate trim work and detail and the point where the roof material meets the fascia board. Gutters may either be pre-formed with a molded shape or be half-round. Both painted aluminum and natural copper are acceptable materials. Roof venting may be achieved either with eave vents, ridge vents or roof vents. In the case of roof vents, either half round or gable end vents are allowed provided they are detailed in a manner that is consistent with the established architectural style for the building.

4.3 Windows—Diversity in the articulation of windows and doors is encouraged. Window details such as divide light or grid patterns are encourage but shall be in keeping with the proposed architectural style.

All windows should be surrounded by exterior trim including:

- a. Sill (Wood sub-sill with apron board when appropriate)
- b. Casing (min. 4" wood casing)
- c. Head trim(min. 6" wood casing)

Windows located in plaster walls need not have trim provided they are recessed back from the exterior building face by no less than 4 inches. Colors are permitted on windows, frames and sash provided they compliment the base color of the building façade in which they are located. Window sash may or may not include divided lights.

- 4.4 Other Glazing-Storefront or curtain wall systems may be used in entry areas or areas where deemed appropriate. Systems shall be compatible with the established window system for the project.
- **5.0** Doors Door style shall be compatible with the architectural style chosen. All doors shall be surrounded by casing and head trim. Casing shall be a min. of 4 inches in width. Head trim shall be a min. of 6 inches high. Doors located in plaster walls need not have trim provided they are recessed back from the exterior building face by not less than 4 inches.
- **6.0 Materials** The following palette of exterior materials are allowed:
 - a. Walls:
 - i. Stucco
 - ii. Wood shingle- min. 7 inch exposure, stained or painted finish.
 - iii. Vertical siding- min. 6 inch width, stained or painted.
 - iv. Horizontal siding- min. 7 inch exposure, stained or painted. Corner boards and other trim in a min. dimension of 6 inches shall be incorporated into the design.
 - v. Non-combustible simulated wood shingle or siding, same min. exposure and detail as noted in 3.5.aii, iii, iv above.
 - vi Brick- may be used as an accent material on fireplaces, foundations, porches, and other architectural features. vii Stone- may be used as an accent material on fireplaces,

foundations, porches, and other architectural features.

7.0 Mechanical Equipment- Mechanical equipment shall be adequately screened from public view either by fencing or landscaping.



CITY COUNCIL STAFF REPORT MEETING DATE: September 15, 2004

TITLE: URBAN LIMIT LINE STUDY STATUS REPORT

RECOMMENDED ACTION: 1. REVIEW THE STATUS REPORT.
2. PROVIDE QUESTIONS AND COMMENTS FOR THE ADVISORY COMMITTEE.

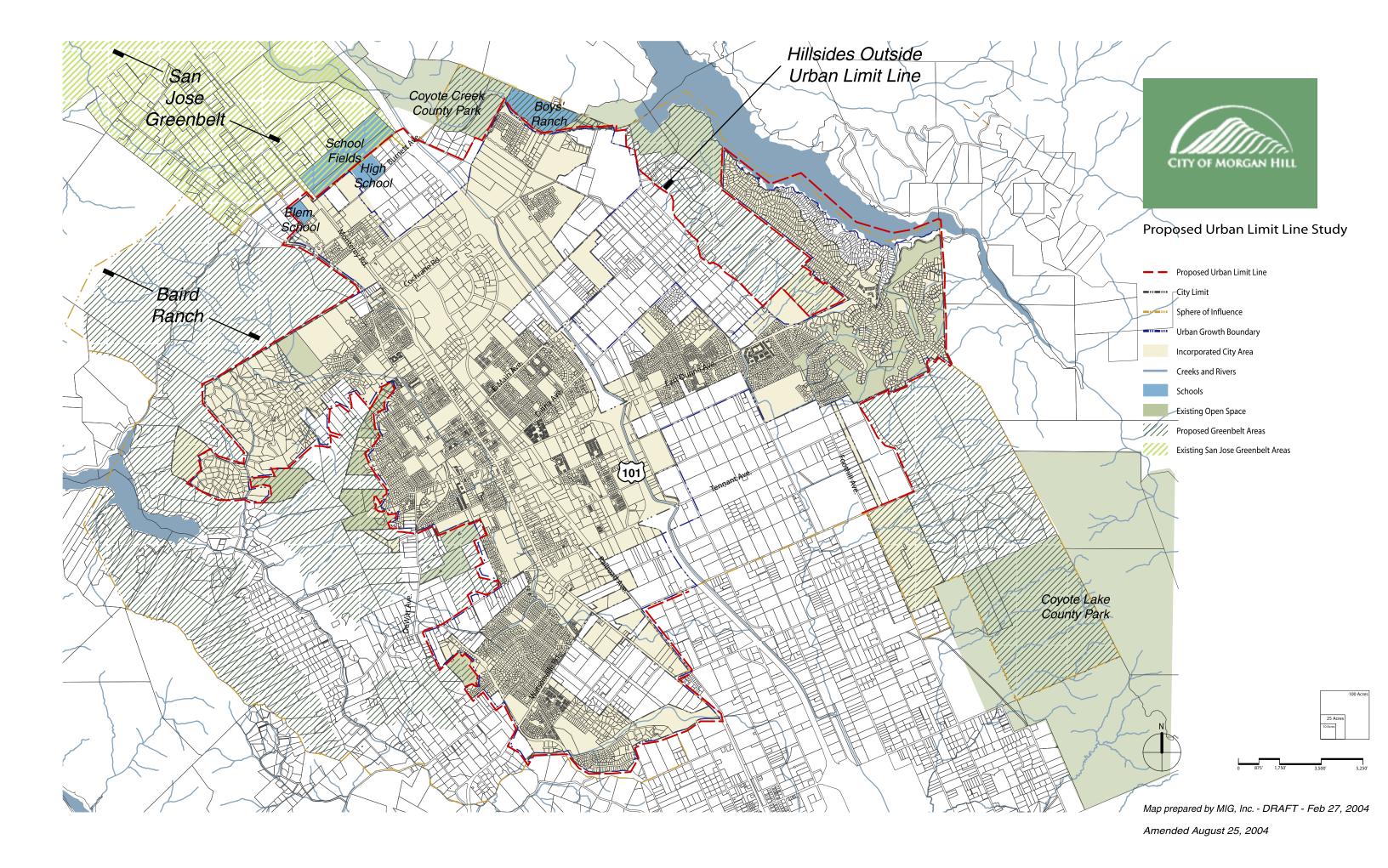
EXECUTIVE SUMMARY: On July 28, 2004, the Council requested periodic status reports on the work of the Urban Limit Line Advisory Committee. The reports are intended to both inform the Council and provide an opportunity for the Council to comment on the work of the Committee. The work of the Advisory Committee has focused on issues impacting the entire Sphere of Influence and specific issues special to the Southeast Quadrant (the area bounded by Highway 101, San Pedro Avenue, Carey

Agenda Item # 19
Prepared By:
Contract Planner
Approved By:
Planning Manager
Submitted By:
City Manager

Road at the base of the eastern foothills and Maple Avenue). Major issues addressed in the attachments include:

- The Urban Limit Line and Greenbelt Map (Attachment I) identifies, except for the Southeast Quadrant, an Urban Limit Line (ULL) and areas that would be part of the Greenbelt. The map represents the results of numerous Committee discussions and review of specific issues raised by property owners.
- Attachment II includes a Vision Statement, Definitions, Principles and the Role of Land Use Regulations and Property Acquisition. The definition of Greenbelt will be considered further after the Committee reviews information on the Southeast Quadrant. A number of Principles are noted as likely to be discussed further including at the Committee's September 13th meeting. Possible amendments of the Urban Growth Boundary and Urban Service Area as a result of Greenbelt decisions will be reviewed at the Committee's September 13th meeting. Greenbelt site acquisition policies and priorities will be discussed at the Committee's October and November meetings.
- For the unincorporated areas, not all of the area outside the Urban Limit Line has a Greenbelt designation. Also, unincorporated areas are generally subdivided into relatively small parcels, many of which have a residential use. The presence of smaller parcels has a substantial impact both on the availability of Greenbelt sites for acquisition by a public agency and the cost of acquiring land. The parcel patterns mean that implementation will be more reliant on the use of Santa Clara County land use regulations as outlined in Attachment II. Protection of views of hillside areas from urban areas is an important issue for the County Board but there is no guarantee that the specific regulations outlined in Attachment II will be enacted.
- The Southeast Quadrant (SEQ) has been a particularly difficult issue because of the extensive flat developable land and property owner expectations that the area will become part of Morgan Hill. A five-member Southeast Quadrant Sub-committee was formed to develop a format for preparation of a land use plan for the SEQ. The Sub-committee completed their work on September 7th with acceptance of a Vision for future planning in the SEQ (Attachment III is a draft of the Vision). The Advisory Committee will review the Sub-committee's final Vision statement on October 11th.
- The Sub-committee's Vision addresses both future land uses, which are identified in general terms, and a proposed planning process. Details of the planning process are identified in Attachment IV. The Vision calls for undertaking more detailed planning for the SEQ through the use of an Area Plan, which will identify land use and future development policies for the SEQ, followed by preparation of a Specific Plan that will detail development standards and expectations. It is proposed that the Area Plan be preceded by an inventory and analysis of the City's vacant and underdeveloped industrial land. It is anticipated that the City will pay the costs of the industrial land analysis and the Area Plan.

FISCAL IMPACT: There is no fiscal impact related to the review of the status report.



Attachment II Urban Limit Line Study---September 15, 2004 City Council Status Report

Vision Statement

A thriving city separated from neighboring communities by the natural features which define its rural character and make it a special place. The urban fabric of the city transitions through decreasing densities of residential development, to farm lands and open space. Creeks, wildlife and other natural treasures are interspersed, accessible and preserved within this area. Golden, oak studded hillsides remain in their natural state. Your view of these and other places lies unimpeded. It is Morgan Hill.

Definitions of Urban Limit Line and Greenbelt

Greenbelt: Areas of non-urban land around the City intended to be permanent or at least very difficult to change. The greenbelt includes public open space and private properties that have importance for one or more environmental reasons including visual prominence from the valley floor. The purpose of the greenbelt is to help physically define the City and focus efforts to minimize the impacts of rural development. Implementation of the greenbelts involves both the purchase in fee and/or of development rights of open space lands and regulation of rural land to maintain a non-urban environment. Discussion continued; numerous issues

Urban Limit Line: The Urban Limit Line (ULL) separates urban and future urban areas from rural areas. The ULL is a longer term version of the Urban Growth Boundary (UGB) and is intended to be permanent. The purpose of a ULL is to encourage more efficient growth patterns, minimize public costs, and protect environmental resources. Some, but not all, of the land outside the ULL has been designated as greenbelt.

Urban Limit Line and Greenbelt Principles

Note: Principles that are likely to be reviewed at the Advisory Committee's September 13, 2004 meeting are identified with an *.

- 1. The Urban Limit Line should be considered the ultimate limit of urban development for the City of Morgan Hill.
- 2. The Urban Limit Line should be continuous around the City of Morgan Hill.
- 3. *The Urban Limit Line should follow roads, parcel lines or other clear indicators in order to minimize confusion over the Line's location.

- 4. *The Urban Limit Line should be located outside or coterminous with the City's Urban Growth Boundary.
- 5. Establishment of the Urban Limit Line does not change the Morgan Hill General Plan policies for amendment of the Urban Growth Boundary.
- 6. The Urban Limit Line could be located within the City Limits in order to include a Park or other City designated Open Space land within the Greenbelt.
- 7. In locating the Urban Limit Line, similar areas (development pattern, land use, and topography) should be treated in a consistent fashion unless geography/physical conditions and/or City policy warrant different treatment.
- 8. If new "feathering" from higher urban densities to lower rural densities is to occur at the edges of the Urban Limit Line to help provide a buffer between urban areas and non-urban areas, the feathering should occur within the City limits. Specific areas within which feathering is to occur should be identified in the Morgan Hill General Plan.
- 9. *The greenbelt should be located outside of the Urban Limit Line.
- 10. Steep hillside areas and areas with other severe geologic or environmental constraints should be considered as greenbelt areas.
- 11. Land designated Open Space in the Morgan Hill General Plan and located on the fringe of the community should be considered as greenbelt areas.
- 12. Unincorporated areas with residential development on lots of less than 10 acres are not, except in unusual circumstances, to be considered candidates for inclusion in the Greenbelt.
- 13. *The boundary of the Greenbelt areas should be carefully delineated to follow roads, parcel lines and/or elevation contour lines.
- 14. *The El Toro Greenbelt should include land above the Open Space contours (500 feet on the east and 600 feet on other sides of El Toro) that are established in the Morgan Hill General Plan.
- 15. East of Hill Road, the edge of the Urban Limit Line and Greenbelt, on the western side of the foothills between Cochrane Road and Dunne Avenue, should include land at or above the 460 foot contour line.
- 16. The Greenbelt on the western side of Paradise Valley should include land at or above the 490 foot elevation contour line.

- 17. The Greenbelt for the hill area south of Edmundson Avenue and north of Sycamore Avenue should include land that is outside the current Urban Growth Boundary and at or above the 490 foot elevation contour line.
- 18. *Within a greenbelt, parks and other designated open spaces, scenic/open space easements, golf courses and agricultural activities may be considered as appropriate uses.
- 19. *Low intensity public facilities may be considered an appropriate use within greenbelt areas.
- 20. The City of San Jose Coyote Valley Greenbelt is considered an appropriate separator/buffer between Morgan Hill and San Jose.
- 21. The City should actively work with the County to find mechanisms that would provide the City with greater control over development in the unincorporated areas of the Sphere of Influence.
- 22. *Within Greenbelt areas, new development should be subject to a site and design review process that encourages minimizing environmental impacts including the amount of grading and location of structures in areas where they are not visible or least visible from the valley floor.

The Role of Land Use Regulation and Property Acquisition

The Committee also identified a set of recommendations regarding Santa Clara County Development Review Process including:

Goal: Minimize the visual impact on Morgan Hill's valley floor and major transportation corridors of development in hillside greenbelt areas and on Finley Ridge.

Policy: The basic Santa Clara County single site development review processes should be evaluated and, as necessary, updated and strengthened to achieve greater control over the visibility, from the valley floor and major transportation corridors, of structures in the Morgan Hill Hillside greenbelt areas. Have a minimal review process for structures that are not visible from the valley floor and major transportation corridors and an extensive review process for structures that are visible.

Key development regulations for structures in greenbelt areas that are visible from the valley floor and major transportation corridors.

- <u>Applicability:</u> Apply to all development in hillside greenbelts unless exempted (same as West Valley and Milpitas).
- Building Height: 30 feet* .

- <u>Color:</u> Light Reflectivity Value (LRV) to 60 or less**.
- Rebuilding: Allow rebuilding if structures destroyed by an act of nature; replacement of voluntarily demolished structures subject to new regulations**.

Placement of Structures:

- o minimize the visual impact of structures from the valley floor and major transportation corridors;
- Structures shall not project above the perceived ridgeline unless granted an exception**; and
- o Establish future structure locations as part of any subdivisions.
- <u>Landscaping:</u> Review landscaping plans
- <u>Lighting:</u> address location and direction of light during review process; no regulation of light levels.
- <u>Grading:</u> minimize grading while balancing the need for grading to achieve other environmental objectives.

New Subdivisions: address visual issues during subdivision application review.

Use of Transfer of Development Credits: pursue use of TDCs.

- * Currently the limit for the West Valley unincorporated area and the City of Morgan Hill.
- ** Currently the limit for the West Valley and/or Milpitas unincorporated areas.

Attachment III Urban Limit Line Study---September 15, 2004 City Council Status Report



Morgan Hill Urban Limit Line Study

M E M O R A N D U M

To: Southeast Quadrant Sub-committee

From: Community Development Department

Date: September 7, 2004/September 9, 2004

Subject: Review of Southeast Quadrant Draft Planning Framework

Note: the following text reflects changes made by the Southeast Quadrant Sub-committee on September 7, 2004. Strikeouts are deleted text and new text is underlined. The text is a final draft and not yet reviewed by Sub-committee members.

Introduction

A Sub-Committee of the Urban Limit Line Committee was formed by the Advisory Committee to develop a framework for future planning of the Southeast Quadrant of the City's Sphere of Influence. This area, which totals approximately 1,250 acres, is generally bounded by San Pedro Avenue on the north, Highway 101 on the west, Carey Road on the east and Maple Avenue on the south, is depicted on the attached map. The Sub-Committee met five times over a three month period to evaluate alternative approaches to planning for the area. In addition, they considered a variety of means of implementing a plan for the area and the economic viability of several alternative plans.

The Sub-Committee selected an alternative referred to as an "Enhanced <u>Rural Landscape Open Space</u>" plan. Under this scenario, the City's greenbelt objectives would be achieved through the area's inclusion within the City's Urban Limit Line and future inclusion in the City's Urban Growth Boundary, Urban Service Area, annexation and planned development. Creation of an Area Plan would lead to General Plan amendments and agreements with Santa Clara County on the future annexation of the area to the City. The greenbelt objectives would be implemented through the use of broad <u>visual corridors</u>

landscaped setbacks and other features described below rather than through a traditional distinct land area that serves to separate developed areas. A benefit of this approach is that it offers the potential to be more visually appealing and beneficial to Morgan Hill's residents and visitors and more likely to be implemented and sustained than the alternative of a relatively narrow band of greenbelt land north of Maple Avenue. The development opportunities thus created in the Southeast Quadrant would be sufficient, in one manner or another, in part, to fund open space acquisitions within the area consistent with the City's Greenbelt objectives.

The Enhanced Rural Landscape Open Space Plan

DESCRIPTION

The Enhanced <u>Rural Landscape</u> Open Space Plan would focus on maintaining and enhancing the existing open space appearance of the entire Southeast Quadrant through a planned development community that includes visually sensitive and pleasing development (including commercial, industrial, and residential uses) with broad <u>visual corridors adjacent to landscaped setbacks from</u> roads and the freeway, parks, ample hiking and bicycle trails, wide stream corridors, and other open landscaped areas integrated with the urban development. In additional to specified open space areas, view corridors and other amenities are likely to be incorporated into the urban areas. The possibility of retaining an agricultural use will be assessed in the development of the Area Plan. A strategy for acquisition of these open space amenities will be included within the Plan.

Scenic <u>corridors</u> <u>setbacks</u> would be created along roads including Maple (one side from 101 to Foothill), Fisher (both sides from 101 to Foothill), Tennant (both sides from Murphy to Foothill), Barrett (both sides from Murphy to Hill), Foothill (one-half side outside of the areas with smaller, i.e. two to five acre parcels), Hill (both sides from Barrett to Maple) and Murphy (both sides from Barrett to Maple). Existing residential sites along these roads would not be required to be part of the scenic <u>corridor</u> <u>setback</u>.

The actual development pattern would be specified in an Area Plan developed by the City in cooperation with Santa Clara County, landowners, and other interested parties. Following Area Plan adoption, a Specific Plan would be pursued for the entire area by landowners and/or developers as a prelude to or in conjunction with annexation. Annexation could occur in phases. While the planning and development process will be formal, it will be important for the area to have an organic "unstructured" look consistent with and transitioning into the surrounding rural landscape. Inclusion of this area within the Urban Limit Line would occur with adoption of the Area Plan.

The approximate land use allocation for the Southeast Quadrant under the Enhanced <u>Rural Landscape</u> Open Space plan would include the following uses which are subsequently described in more detail:

• Industrial/Business Park: 200 +/- acres

- Commercial: 45 +/- acres
- Large Lot Residential (existing): 130 acres
- Parks, trails, creek corridors and scenic setbacks: $\underline{375}$ up to $\underline{500}$ +/- acres
- <u>Varying residential densities</u> <u>Low-density clustered residential</u>: 375 +/- acres

It is anticipated that schools, churches and other institutional and civic uses will be accommodated within these general land use allocations.

OPEN AREAS SPACE

Approximately 375 to 500 acres of open areas created would be dispersed throughout the area to maximize its visual effect. The "vision" is to intersperse this open land taking advantage of and enhancing natural features including view corridors, existing roadways and creek corridors. An extensive system of walking and bicycle trails would be provided for recreational use and to provide access to jobs, business and other activity centers. Large-scale natural open space areas would be provided for public or agricultural use. As directed by the General Plan, a neighborhood park and school will be provided to serve future residents of the area. Parks, schools and other public areas would be secured by acquisition in fee and acquisition or dedication of conservation or scenic easements for scenic corridors, setbacks view corridors and possibly other areas identified in the Area Plan and Specific Plan processes.

BUSINESS PARK

The approximately 200 acre business park/industrial area would be located near the Tennant and Murphy Avenue intersections east of the Tennant Avenue and Highway 101 intersection. This land use responds to the City's General Plan that identifies evaluation of future industrial uses in this area and initial Advisory Committee conclusions regarding the location and size of future industrial uses. To be consistent with the Enhanced Rural Landscape Open Space theme, and especially the substantial visual corridors along roadways landscaped street setbacks, this development may need to be "campus style" similar to research and development facilities located along Page Mill Road in Palo Alto or in a clustered form integrated with commercial, residential and/or open space areas. The nature and precise location of the industrial uses will be identified in the Area Plan process.

COMMERCIAL AREA

The approximately 45 acre commercial area located near the Tennant Avenue/Highway 101 interchange is viewed as an opportunity for community-serving and regional commercial uses specified in the City's General Plan. Such commercial uses provide shopping opportunities for local residents as well as an opportunity to attract shoppers from

nearby communities. To be consistent with the Enhanced <u>Rural Landscape</u> Open Space theme, this commercial development would need to be in a "village" format; large format retail requiring massive highway signage, direct and exaggerated exposure to freeway traffic, and large parking fields would generally not be consistent with this theme. A neighborhood commercial facility may be warranted based on the location and density of residential uses identified in the Area Plan process.

RESIDENTIAL DEVELOPMENT

Existing residential units

Existing residential units in the Southeast Quadrant on parcels less than 5 acres in size, currently occupying approximately some 130 acres, would be incorporated into the land use plan that is ultimately developed in the area. Generally, these existing residential uses would remain. In some instances landowners may choose to incorporate property into a larger development, in which case existing residences would be removed.

New Residential development

New residential development would occur on <u>approximately some</u> 375 acres in the area. Up to 2,000 homes may be provided within this area including a variety of housing types and densities. Lower residential densities are proposed near the rural community of San Martin and the greenbelt planned for the area east of Carey Road in order to provide appropriate transitions from more dense development to the north and west. Affordable housing will be provided within the area, consistent with current City policy for residential development.

Economic Feasibility

Under the Enhanced <u>Rural Landscape</u> <u>Open Space</u> scenario, land costs for the proposed open <u>corridors</u> <u>space</u> <u>setbacks</u> along major roads may be lower or avoided altogether <u>if</u> <u>because it is assumed that</u> this greenbelt objective can be achieved through scenic easements, setbacks, and other design-oriented techniques that can be established as a part of specific development approvals. This approach <u>could</u> <u>would</u> also <u>reduce or</u> avoid a significant public acquisition effort and related funding and implementation techniques (impact fees, transfer of development, etc.). However, <u>there will be a need for substantial other</u> roadway landscaping, design features, recreation facilities, and other amenities <u>that</u> will require some external funding source.

Preliminary economic analysis suggests that there would be sufficient land value created over time by the urban components of the land plan to fund, in one manner or another (dedications, area impact fees, etc.), the open space set aside and associated improvements proposed by the plan. It is, however, recommended that public

improvements which benefit the entire community be funded by city-wide revenue sources and not be the sole responsibility of the Southeast Quadrant.

Implementation

The Enhanced <u>Rural Landscape</u> Open Space plan would require development of an Area Plan for the Southeast Quadrant. <u>This Plan would be developed in cooperation with Santa Clara County, landowners, and other interested parties.</u> Such a plan would be completed by the City to establish land use policies for the area, consistent with the City's General Plan. This Area Plan would be followed by amendments to the City's Urban Growth Boundary, and Urban Service Area <u>amendment</u> and an annexation plan processed through the Santa Clara Local Agency Formation Commission (LAFCO), and annexation.

Development of a "specific plan" by landowners and/or developers prior to or as part of the annexation process will assure that development throughout the area is consistently well planned and achieves the desired open space objectives. The Specific Plan, in addition to delineating development envelopes, uses, and densities, would contain detailed development standards and design guidelines and also refine the open space areas identified in the Area Plan. The Specific Plan would also include a public facilities and financing element that would assure that the required infrastructure and public facilities are created in a timely manner as development proceeds.

Open space <u>areas</u> <u>setbacks</u> proposed would be created incrementally as a part of the development process. Certain open space and landscape improvements (e.g. extensive street right-of-way landscaping, retention of a larger open space area) could be funded by an impact fee or other funding source.

Summary

To be prepared



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ATTACHMENT IV

URBAN LIMIT LINE STUDY---SEPTEMBER 15, 2001 CITY COUNCIL STATUS REPORT

To Ken Schreiber, AICP David Bischoff, AICP

From Bob Odland

Date 30 August 2004/September 9, 2004Subject Southeast Quadrant – Planning Process

Note: this memo has been amended to include changes from the September 7, 2004 Southeast Quadrant Sub-committee Meeting.

PHASE 1-INDUSTRIAL LANDS

Conduct an inventory and analysis of planned and either vacant or underdeveloped industrial land within the City's existing growth boundaries. Conduct the study on a parcel basis with an analysis of land suitability based on parcel size, access, compatibility with existing uses, and other potential constraints. Project land needs for 5 to 10 years and identify needs for increases to the commercial and/or industrial land supply. Recommend alternative uses for parcels not suitable for conventional commercial or industrial uses.

Schedule: Should be undertaken immediately.

PHASE 2A – AREA PLAN STRATEGY AND WORK PROGRAM

Develop a strategy for undertaking the Area Plan for the Southeast Quadrant and associated work program. The Area Plan is intended to provide guidance for landowners, potential developers, and City/County officials while allowing flexibility over the next 5-20 years to respond to market conditions, development trends, and public needs. Prior to starting the Area Plan, the planning process, Plan content and economic assumptions should be clarified and a detailed work program prepared. Issues to be addressed prior to preparing the work program include:

- Review the vision for the Southeast Quadrant adopted by the Morgan Hill City Council.
- Clarify market conditions and assumptions for different land uses including evaluation of the possibility that a market will not exist for all types of development at the same time.
- Clarify assumptions regarding mitigation for the conversion of prime agricultural lands to urban uses.
- Clarify assumptions regarding the involvement of Santa Clara County staff and officials.

- Develop guidelines for the amount of detail assumed to be in the Area Plan.
- Develop a Public Involvement Plan

Develop a timetable for development of an Area Plan.

PHASE 2B – PREPARE AN AREA PLAN

The following issues, which are not in any order of priority and are not all-inclusive, should be considered in the development of the scope of work and preparation of the Area Plan:

- Extensive pubic involvement including participation by owners of land in the Southeast Quadrant.
- Appropriate levels of detail given that development will probably not proceed immediately;
- Design principles for the area to promote a "rural feel" for all types of development;
- Refinement of types and locations of land uses;
- Development types, including mixed-use (especially village-style retail, residential, and live/work);
- A range of commercial and industrial spatial opportunities, including the potential for integrating business park uses into a mixed-use configuration;
- A refinement of the "feathering" concept;
- Setback and other development controls;
- Locations for a school, one or more parks, and open space ideally linked by trails;
- Location of pedestrian and bicycle trails and paths;
- An analysis of the impacts on wildlife;
- An analysis of impacts on the transportation system;
- The method of financing the necessary improvements and open space;
- A system to dedicate land for setbacks and other uses;
- The possibility of using development agreements as an implementation tool;
- The potential of a transfer of development credits among landowners to achieve open space;
- The impact of the loss of agricultural lands;
- Clarification of compensation issues for land to be used for public purposes;

• A timetable for phasing of General Plan amendments, annexation (perhaps including phasing), possible interim development controls and a Specific Plan(s).

Schedule: Phase 2A should be undertaken after the City completes the Industrial land assessment (Phase 1). Phase 2B should commence after City approval of the results of Phase 2A.

PHASE 3 – IMPLEMENTATION

Implement the Area Plan through General Plan amendments, annexation(s), specific plan(s), and other appropriate tools.

Schedule: Initiate implementation as called for in the Area Plan.